



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Douglas County

For the period January 1, 2022 through December 31, 2022

Published January 16, 2024

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

January 16, 2024

Board of Commissioners
Douglas County
East Wenatchee, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Douglas 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

Douglas County January 1, 2022 through December 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Douglas 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 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 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>ALN</u>	<u>Program or Cluster Title</u>
21.027	COVID 19 – Coronavirus State and Local Fiscal Recovery Funds

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

See Finding 2022-001.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Douglas County January 1, 2022 through December 31, 2022

2022-001 The County's internal controls were inadequate for ensuring compliance with federal suspension and debarment requirements.

Assistance Listing Number and Title:	21.027, COVID 19 – Coronavirus State and Local Fiscal Recovery Funds
Federal Grantor Name:	U.S. Department of the Treasury
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	N/A
Pass-through Award/Contract Number:	N/A
Known Questioned Cost Amount:	\$0
Prior Year Audit Finding:	Yes, Finding 2021-002

Background

The purpose of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program is to respond to the COVID-19 pandemic's negative effects on public health and the economy, provide premium pay to essential workers during the pandemic, provide government services to the extent COVID-19 caused a reduction in revenues collected, and make necessary investments in water, sewer, or broadband infrastructure. In 2022, the County spent \$1,422,643 in program funds.

Federal regulations require recipients to establish and follow internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

Federal requirements prohibit recipients from contracting with or purchasing from parties suspended or debarred from doing business with the federal government. Whenever the County enters into contracts or purchases goods or services that it expects to equal or exceed \$25,000, paid all or in part with federal funds, it must verify the contractors have not been suspended, debarred or otherwise excluded. The County may accomplish this verification by collecting a written certification

from the contractor, adding a clause or condition into the contract that states the contractor is not suspended or debarred, or checking for exclusion records in the U.S. General Services Administration's System for Award Management at SAM.gov. The County must perform this verification before entering into the contract, and it must maintain documentation demonstrating compliance with this federal requirement.

Description of Condition

Our audit found the County's controls were ineffective for ensuring staff verified the suspension and debarment status of contractors for purchases exceeding \$25,000, paid all or in part with federal funds. Specifically, the County did not obtain a written certification, include a clause in the contract, or search for exclusion records in SAM.gov to verify that nine contractors paid a total of \$872,321 in 2022 were not suspended or debarred before entering into the contracts or charging costs to the federal award.

We consider this deficiency in internal controls to be a material weakness that led to material noncompliance.

Cause of Condition

County staff responsible for these purchases were not aware of the federal requirements for suspension and debarment. Staff learned about the requirements during the audit of fiscal year 2021, but the County had already entered into these covered transactions.

Effect of Condition

Without adequate internal controls over suspension and debarment requirements, the County increases its risk of awarding federal funds to contractors that are excluded from participating in federal programs. Any payments the County made to an ineligible party would be unallowable, and the awarding agency could potentially recover them.

We subsequently verified the contractors were not suspended or debarred, so we are not questioning costs.

Recommendation

We recommend the County establish internal controls to verify all contractors it expects to pay \$25,000 or more, all or in part with federal funds, are not suspended or debarred from participating in federal programs.

County's Response

The County has hired a Grants and Public Relations Specialist. This position provides technical assistance to county staff and outside contractors to ensure compliance with grant requirements.

Auditor's Remarks

We appreciate the County's commitment to resolving this issue. We will review the condition during our next audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 180, OMB *Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)*, establishes nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689.

DOUGLAS COUNTY

COMMISSIONERS

DAN SUTTON 1ST DISTRICT

KYLE STEINBURG 2ND DISTRICT

MARC S. STRAUB 3RD DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Douglas County January 1, 2022 through December 31, 2022

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

Audit Period: 2021	Report Ref. No.: 1032055	Finding Ref. No.: 2021-001	Assistance Listing Number(s): 21.027
Federal Program Name and Granting Agency: Coronavirus State and Local Fiscal Recovery Funds – U.S. Department of the Treasury		Pass-Through Agency Name: N/A	
Finding Caption: The County did not have adequate internal controls to ensure it used Coronavirus State and Local Fiscal Recovery Funds program funds for allowable purposes and for costs incurred within the period of performance.			
Background: Our 2021 audit found the County did not have internal controls effective to ensure it complied with requirements to use funds from the State and Local Fiscal Recovery Funds (SLFRF) program for allowable purposes and for costs incurred within the period of performance. The County charged \$276,530 in unallowable costs to the SLFRF program for road project costs that were incurred outside of the period of performance. As a result, we questioned these costs.			
Status of Corrective Action: (check one) <input checked="checked" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid			
Corrective Action Taken: <i>The particular Road project referenced was originally paid through other sources and met all of the requirements for the original funding source. When the county decided to use Coronavirus State and Local Fiscal Recovery Funds for the project the fact that some of the work took place before 2020 was missed. All accounting staff is now aware of the date restrictions and will be diligent in making sure no other expenses are paid outside the period of performance.</i>			

Audit Period: 2021	Report Reference No.: 1032055	Finding Ref. No.: 2021-002	CFDA Number(s): 21.027
Federal Program Name and Granting Agency: Coronavirus State and Local Fiscal Recovery Funds - U.S. Department of the Treasury		Pass-Through Agency Name: N/A	
Finding Caption: The County's internal controls were inadequate for ensuring compliance with federal requirements for suspension and debarment.			
Background: The fiscal year 2021 audit found that the County did not have internal controls for ensuring it verified the suspension and debarment status of contractors for purchases exceeding \$25,000, paid all or in part with federal funds. Specifically, the County did not verify that five contractors paid a total of \$909,801 were not suspended or debarred from participating in federal programs before contracting with them in 2021. We subsequently verified the contractors were not suspended or debarred, therefore, we are not questioning costs.			
Status of Corrective Action: <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"><input type="checkbox"/> Fully Corrected</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Partially Corrected</div> <div style="text-align: center;"><input type="checkbox"/> Not Corrected</div> <div style="text-align: center;"><input type="checkbox"/> Finding is considered no longer valid</div> </div>			
Corrective Action Taken: <i>The County has created a procurement checklist for all projects including Federal and State funded projects. This resource will be provided to all county staff, including the Board of Commissioners and County Administrator to ensure proper compliance with all requirements.</i>			

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Douglas County **January 1, 2022 through December 31, 2022**

Board of Commissioners
Douglas County
East Wenatchee, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Douglas County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated December 18, 2023.

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 state law 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.

REPORT ON 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) as a basis for designing 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.



Pat McCarthy, State Auditor

Olympia, WA

December 18, 2023

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Douglas County January 1, 2022 through December 31, 2022

Board of Commissioners
Douglas County
East Wenatchee, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Douglas County, with the types of compliance requirements identified as subject to audit 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, 2022. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2022-001, that we consider to be a material weakness.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

Pat McCarthy, State Auditor

Olympia, WA

December 18, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Douglas County **January 1, 2022 through December 31, 2022**

Board of Commissioners
Douglas County
East Wenatchee, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Douglas County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the County has prepared these financial statements to meet the financial reporting requirements of state law and 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 accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Douglas County, and its changes in cash and investments, for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Douglas County, as of December 31, 2022, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to 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. As described in Note 1 of the financial statements, the financial statements are prepared by the County in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management 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 state law and the BARS Manual 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's financial statements. The accompanying 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 also 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the County's internal control over financial reporting and on the 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 the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

December 18, 2023

FINANCIAL SECTION

Douglas County January 1, 2022 through December 31, 2022

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2022
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022
Notes to the Financial Statements – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2022
Schedule of Expenditures of Federal Awards – 2022
Notes to the Schedule of Expenditures of Federal Awards – 2022

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 General	102 CRIME VICTIMS	104 LAW LIBRARY
Beginning Cash and Investments					
308	Beginning Cash and Investments	65,909,482	22,232,117	240,009	2,980
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	33,856,670	23,356,703	-	-
320	Licenses and Permits	1,194,404	17,411	-	-
330	Intergovernmental Revenues	14,243,454	1,850,441	75,413	-
340	Charges for Goods and Services	10,509,976	2,112,665	33,268	8,362
350	Fines and Penalties	450,627	449,321	-	-
360	Miscellaneous Revenues	3,114,210	1,564,469	-	-
Total Revenues:		63,369,341	29,351,010	108,681	8,362
Expenditures					
510	General Government	12,434,770	9,574,875	81,515	-
520	Public Safety	11,005,738	10,528,555	-	-
530	Utilities	875,651	-	-	-
540	Transportation	12,564,864	-	-	-
550	Natural/Economic Environment	1,937,251	208,269	-	-
560	Social Services	1,912,947	166,671	-	-
570	Culture and Recreation	1,638,355	138,142	-	10
Total Expenditures:		42,369,576	20,616,512	81,515	10
Excess (Deficiency) Revenues over Expenditures:		20,999,765	8,734,498	27,166	8,352
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,709,722	40,000	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	418,278	173,140	-	-
Total Other Increases in Fund Resources:		2,128,000	213,140	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,353,370	1,313,986	-	-
591-593, 599	Debt Service	1,325,581	29,433	-	-
597	Transfers-Out	1,709,723	869,299	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	287,770	172,952	-	-
Total Other Decreases in Fund Resources:		8,676,444	2,385,670	-	-
Increase (Decrease) in Cash and Investments:		14,451,321	6,561,968	27,166	8,352
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	35,908,170	-	267,176	11,332
50841	Committed	9,737,570	357,247	-	-
50851	Assigned	6,284,143	-	-	-
50891	Unassigned	28,430,920	28,436,842	-	-
Total Ending Cash and Investments		80,360,803	28,794,089	267,176	11,332

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		105 NCWFAIR	106 FAIR LIVESTOCK SALE	107 AMERICAN RESCUE PLAN ACT	109 TREAS M&O
Beginning Cash and Investments					
308	Beginning Cash and Investments	35,725	299,334	3,178,806	117,552
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	142,572	-	4,359,758	-
340	Charges for Goods and Services	282,850	-	-	18,105
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	282,533	372,835	76,351	956
Total Revenues:		707,955	372,835	4,436,109	19,061
Expenditures					
510	General Government	-	-	470,183	24,006
520	Public Safety	-	-	90,195	-
530	Utilities	-	-	-	-
540	Transportation	-	-	127,499	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	678,390	649,246	-	-
Total Expenditures:		678,390	649,246	687,877	24,006
Excess (Deficiency) Revenues over Expenditures:		29,565	(276,411)	3,748,232	(4,945)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	90,786	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	114,818	-	-	-
Total Other Increases in Fund Resources:		205,604	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	95,348	-	733,275	-
591-593, 599	Debt Service	108	-	1,489	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	50,000	-	-	-
Total Other Decreases in Fund Resources:		145,456	-	734,764	-
Increase (Decrease) in Cash and Investments:		89,713	(276,411)	3,013,468	(4,945)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	6,192,272	112,608
50841	Committed	125,437	22,923	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		125,437	22,923	6,192,272	112,608

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		112 AUD M & O	114 WSU PUB	118 PATHS AND TRAILS	119 COUNTY ROAD
Beginning Cash and Investments					
308	Beginning Cash and Investments	49,490	80,327	3,161	6,632,506
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	7,489,213
320	Licenses and Permits	-	-	-	147,004
330	Intergovernmental Revenues	61,271	2,466	17,797	4,470,157
340	Charges for Goods and Services	28,577	28,181	-	751,814
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	500	194	7,973
Total Revenues:		89,848	31,147	17,991	12,866,161
Expenditures					
510	General Government	98,179	-	-	327,774
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	10,278,625
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	28,430	-	-
Total Expenditures:		98,179	28,430	-	10,606,399
Excess (Deficiency) Revenues over Expenditures:		(8,331)	2,717	17,991	2,259,762
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	9,376
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	4	-	1,226
Total Other Increases in Fund Resources:		-	4	-	10,602
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	1,159,933
591-593, 599	Debt Service	-	-	-	544,707
597	Transfers-Out	-	-	9,376	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	9,376	1,704,640
Increase (Decrease) in Cash and Investments:		(8,331)	2,721	8,615	565,724
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	41,159	-	11,776	7,198,229
50841	Committed	-	83,048	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		41,159	83,048	11,776	7,198,229

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		120 VET'S REL	121 ELEC RES	122 CAPP	126 LAW AND JUSTICE
Beginning Cash and Investments					
308	Beginning Cash and Investments	90,313	993,226	534,333	3,888
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	82,030	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	851,020	531,710
340	Charges for Goods and Services	-	296,283	-	14,391
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,151	3,116	-	-
Total Revenues:		83,181	299,399	851,020	546,101
Expenditures					
510	General Government	-	2,853	-	248,597
520	Public Safety	-	-	-	157,314
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	85,595	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		85,595	2,853	-	405,911
Excess (Deficiency) Revenues over Expenditures:		(2,414)	296,546	851,020	140,190
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	10,063	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	150,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	10,063	-	150,000
Increase (Decrease) in Cash and Investments:		(2,414)	286,483	851,020	(9,810)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	87,900	1,279,709	1,385,352	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	(5,922)
Total Ending Cash and Investments		87,900	1,279,709	1,385,352	(5,922)

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		127 CUMUL RES	128 DRUG	130 DEV DISABILITIES	131 BEHAVIORAL HEALTH TAX
Beginning Cash and Investments					
308	Beginning Cash and Investments	27,308	12,967	590,889	299,504
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	90,800	91,144
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	1,607,743	-
340	Charges for Goods and Services	-	-	181,315	-
350	Fines and Penalties	-	1,306	-	-
360	Miscellaneous Revenues	21,584	-	26,074	-
Total Revenues:		21,584	1,306	1,905,932	91,144
Expenditures					
510	General Government	22	-	-	-
520	Public Safety	-	859	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	1,660,681	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		22	859	1,660,681	-
Excess (Deficiency) Revenues over Expenditures:		21,562	447	245,251	91,144
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	17,987	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	17,987	-
Increase (Decrease) in Cash and Investments:		21,562	447	227,264	91,144
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	13,414	818,153	390,649
50841	Committed	48,870	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		48,870	13,414	818,153	390,649

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		133 BOAT SAFE	144 CW SOLID WASTE	146 PROBATION	147 RISK POOL
Beginning Cash and Investments					
308	Beginning Cash and Investments	32,998	922,262	265,934	694,968
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	12,031	169,278	-	-
340	Charges for Goods and Services	-	484,942	101,706	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	18,045	24,258	433,702
Total Revenues:		12,031	672,265	125,964	433,702
Expenditures					
510	General Government	-	-	140,162	413,462
520	Public Safety	-	-	-	-
530	Utilities	-	510,426	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	16,452	-	-	-
Total Expenditures:		16,452	510,426	140,162	413,462
Excess (Deficiency) Revenues over Expenditures:		(4,421)	161,839	(14,198)	20,240
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	8,190	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	8,190	-	-
Increase (Decrease) in Cash and Investments:		(4,421)	153,649	(14,198)	20,240
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	28,576	1,075,911	251,736	-
50841	Committed	-	-	-	715,208
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		28,576	1,075,911	251,736	715,208

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		152 RETIREMENT CONT	157 CEERP	158 CO COM DEV	161 LEGAL OBL
Beginning Cash and Investments					
308	Beginning Cash and Investments	93,366	1,143,692	334,636	67,710
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	134,613	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	12,941	-	2,471
340	Charges for Goods and Services	-	63,184	48,824	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	5,977	-	-
Total Revenues:		-	82,102	183,437	2,471
Expenditures					
510	General Government	-	-	-	583
520	Public Safety	-	2,886	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	50,659	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	15,062	-	-
Total Expenditures:		-	17,948	50,659	583
Excess (Deficiency) Revenues over Expenditures:		-	64,154	132,778	1,888
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	366,563	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	33,360	-	-
Total Other Increases in Fund Resources:		-	399,923	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	251,988	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	251,988	-	-
Increase (Decrease) in Cash and Investments:		-	212,089	132,778	1,888
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	467,414	69,598
50841	Committed	93,366	1,355,780	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		93,366	1,355,780	467,414	69,598

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		163 BUILD MAIN	164 DOMES VIOL CRT ADV	165 COURT IMP	167 FAIR DRIV
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,351,566	2,296	43,537	1,936
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	22,682	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	15,660	-	-	-
Total Revenues:		15,660	-	22,682	-
Expenditures					
510	General Government	24,415	-	4,427	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	88,173	-	-	-
Total Expenditures:		112,588	-	4,427	-
Excess (Deficiency) Revenues over Expenditures:		(96,928)	-	18,255	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 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	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		(96,928)	-	18,255	-
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	2,296	61,793	-
50841	Committed	1,254,637	-	-	1,936
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,254,637	2,296	61,793	1,936

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		168 HOMELESS	169 HIST PRES	170 D V PREVENT	171 HOST FEES
Beginning Cash and Investments					
308	Beginning Cash and Investments	485,053	100,128	4,746	1,601,145
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	208,967
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	311,968	8,053	188	55,725
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	29,595
Total Revenues:		311,968	8,053	188	294,287
Expenditures					
510	General Government	-	5,411	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	265,632	-	-	2,055
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		265,632	5,411	-	2,055
Excess (Deficiency) Revenues over Expenditures:		46,336	2,642	188	292,232
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 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	-	-	-	30,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	30,000
Increase (Decrease) in Cash and Investments:		46,336	2,642	188	262,232
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	531,389	102,770	4,934	1,863,376
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		531,389	102,770	4,934	1,863,376

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		173 WM SCHOLARSHIP	174 NCW FAIR RACE HORSE	176 DO CO JAIL	177 PEST CONTROL
Beginning Cash and Investments					
308	Beginning Cash and Investments	27,960	2,750	2,338,288	35,672
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	18,950	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	25,450	-	55,749
Total Revenues:		18,950	25,450	-	55,749
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	80,978
560	Social Services	-	-	-	-
570	Culture and Recreation	-	24,450	-	-
Total Expenditures:		-	24,450	-	80,978
Excess (Deficiency) Revenues over Expenditures:		18,950	1,000	-	(25,229)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	50	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	50	-
Increase (Decrease) in Cash and Investments:		18,950	1,000	(50)	(25,229)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	46,910	-	-	10,443
50841	Committed	-	3,750	2,338,238	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		46,910	3,750	2,338,238	10,443

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		178 LOCAT TRIAL CRT	179 E-REET ANNUAL REVAL	182 DISPUTE RESOLUTION	183 COMMUNITY INVOLVEMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	52,650	94,782	1,200	88,729
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	10,267	-	-
340	Charges for Goods and Services	4,917	4,903	7,040	42,347
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		4,917	15,170	7,040	42,347
Expenditures					
510	General Government	-	-	7,040	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	7,040	-
Excess (Deficiency) Revenues over Expenditures:		4,917	15,170	-	42,347
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 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	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		4,917	15,170	-	42,347
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	57,566	109,952	1,200	131,075
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		57,566	109,952	1,200	131,075

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		204 LGO BOND	301 DISTRESS1	303 CE CAP	311 DISTRESS 2
Beginning Cash and Investments					
308	Beginning Cash and Investments	-	1,140,912	3,979,436	2,173,559
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	897,796	954,330	760,041
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	43,436	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	453	38	12,678
Total Revenues:		-	898,249	997,804	772,719
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	898,249	997,804	772,719
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	611,047	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		611,047	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	2,868	199,564	651,078
591-593, 599	Debt Service	611,047	-	-	-
597	Transfers-Out	-	343,550	267,498	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	64,818	-
Total Other Decreases in Fund Resources:		611,047	346,418	531,880	651,078
Increase (Decrease) in Cash and Investments:		-	551,831	465,924	121,641
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	1,692,744	4,445,361	2,295,200
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		-	1,692,744	4,445,361	2,295,200

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		314 POST ANNEXATION	320 MILLER STREET CAP RES	321 L AND J BLDG	403 LAND USE & BUILDING SERVICES
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,118,645	350,573	1,142,793	3,121,141
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	821,022
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	748,117
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	18,327	-	-	659
Total Revenues:		18,327	-	-	1,569,798
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	225,929
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	1,329,658
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	1,555,587
Excess (Deficiency) Revenues over Expenditures:		18,327	-	-	14,211
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	591,950
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	49,555	(361)
Total Other Increases in Fund Resources:		-	-	49,555	591,589
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	329,073	-
591-593, 599	Debt Service	-	-	-	4,697
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	329,073	4,697
Increase (Decrease) in Cash and Investments:		18,327	-	(279,518)	601,103
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	1,136,972	350,573	863,276	-
50851	Assigned	-	-	-	3,722,245
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,136,972	350,573	863,276	3,722,245

The accompanying notes are an integral part of this statement.

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		404 STORM WATER UTILITY	501 ER&R	502 UECOMP	503 MANAGEMENT INFO SYS
Beginning Cash and Investments					
308	Beginning Cash and Investments	4,368,081	2,166,394	746,269	389,240
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	817,920	3,104,656	78,871	851,854
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	143,904	639	218	(28,878)
Total Revenues:		961,824	3,105,295	79,089	822,976
Expenditures					
510	General Government	-	-	15,056	996,210
520	Public Safety	-	-	-	-
530	Utilities	365,225	-	-	-
540	Transportation	-	2,158,740	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		365,225	2,158,740	15,056	996,210
Excess (Deficiency) Revenues over Expenditures:		596,599	946,555	64,033	(173,234)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	(80)	46,616	-	-
Total Other Increases in Fund Resources:		(80)	46,616	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	28,981	568,973	-	-
591-593, 599	Debt Service	87,421	28,692	-	-
597	Transfers-Out	-	-	-	40,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		116,402	597,665	-	40,000
Increase (Decrease) in Cash and Investments:		480,117	395,506	64,033	(213,234)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	4,848,197	-	-	-
50841	Committed	-	-	810,303	176,006
50851	Assigned	-	2,561,898	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		4,848,197	2,561,898	810,303	176,006

The accompanying notes are an integral part of this statement.

Douglas County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	Investment Trust	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	112,688,644	15,020,946	44,947	9,583,125
388 & 588	Net Adjustments	(5,122)	-	-	(5,122)
310-390	Additions	326,951,442	3,582,010	6,039	278,550,639
510-590	Deductions	345,185,382	-	9,218	282,672,853
	Net Increase (Decrease) in Cash and Investments:	(18,233,940)	3,582,010	(3,179)	(4,122,214)
508	Ending Cash and Investments	94,449,582	18,602,956	41,767	5,455,790

The accompanying notes are an integral part of this statement.

Douglas County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		External Investment Pool Fund
308	Beginning Cash and Investments	88,039,626
388 & 588	Net Adjustments	-
310-390	Additions	44,812,754
510-590	Deductions	62,503,311
	Net Increase (Decrease) in Cash and Investments:	(17,690,557)
508	Ending Cash and Investments	70,349,069

The accompanying notes are an integral part of this statement.

Douglas County, Washington

Notes to the Financial Statements

For the year ended December 31, 2022

Note 1. Summary of Significant Accounting Policies

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

The County reports financial activity 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 not included in the financial statements. (see Note 13 – Joint Ventures)
- 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 for proprietary and fiduciary funds are presented using classification that are different from the ending net position classifications 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 for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

B. Basis of Accounting and Measurement Focus

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

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

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

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

D. Cash and Investments

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

E. Interfund Loans

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." A separate schedule of interfund loans receivable and payable is furnished in Note 12.

F. Compensated Absences

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

Vacation pay, which may be accumulated up to 320 hours, is payable upon resignation, retirement or death. Sick leave may accumulate up to 960 hours. Upon resignation, retirement or death, any sick leave accrued over 720 hours up to 960 hours will be paid, with the exception members of the Sheriff Guild are paid for all sick leave up to 240 hours. Payments are recognized as expenditures when paid.

G. Long-Term Debt - See Note 9.

H. Capital Assets

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

I. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and commitments of Ending Cash and Investments consist of the following:

Fund Type/Purpose	Restricted by External Party	Restriction Reference	Committed by Board Action
<i>General Fund:</i>			
Land Fill Closure/Monitoring		RESOLUTIONS 73-371 & 73-373	9,000
Employee Buyouts		RESOLUTION 134-781	150,000
Technology		RESOLUTION 134-780	198,246
<i>Special Revenue:</i>			
Crime Victims	267,176	RCW 7.68.035	
Law Library	11,332	RCW 27.24.070	
NCWFair			125,437
NCW Fair Livestock Sale		RESOLUTION CE 18-31	22,923
ARPA	6,050,301	RESOLUTION CE 21-17	
Treasurer M and O	112,608	RCW 86.54.020 (9)	
Auditor's M and O	41,159	RCW 36.22.170	
WSU Publications Sales and Classes		RESOLUTION CE 98-018	83,048
Paths and Trails	11,776	RCW 47.30.050	
County Road	7,198,229	RCW 36.82.020 funded by taxes and grants	
Veteran Relief	87,890	RCW 73.08.010	
Election Reserve	1,279,709	RCW 36.33.200	
CAPP	1,385,352	WAC 136-300-080	
Cumulative Health Reserve		RESOLUTION CE 86-26	48,870
Drug Reserve	13,414	RCW 10.105.010 7c	
Developmental Disabilities	591,937	RCW 71A	
Behavioral Health Tax	390,649	RCW 71.20.110	
Boating Safety	28,576	RCW 88.02.650	
County Wide Solid Waste	1,041,302	RCW 36.58	
Probation Assessment	251,736	RCW 10.64.120 and AGO 1968 No. 17 - May 02, 1968	
County Risk Pool		RESOLUTION CE 03-54	715,208
Retirement Contingency		RESOLUTION CE 99-077	93,366
Equipment Replacement		RESOLUTION CE 02-10	1,355,780
County Community Development	467,414	RCW 36.22.178	
Legal Financial Obligations	69,598	RCW 9.94a.760	
Building Maintenance		RESOLUTION 04-84	1,254,637
Domestic Court Advocate	2,296	RCW 26.12.220	
Trial Court Improvement	61,793	RCW 3.58.060	
NCW Fair Driving Range		RESOLUTION 05-65	1,936
Low Income housing	531,389	RCW 36.22.179	
Historical Preservation	102,770	RCW 36.22.170	
Local Domestic Violence Prevent.	4,934	RCW 10.99.080	
Host Fee	1,863,376	Host Agreement 07282004 , as amended	
Waste Management Scholarship	46,910	Host Agreement 07282004 , as amended	
NCW Fair Race Sponsorship		RESOLUTION CE 09-70	3,750
Douglas County Jail		RESOLUTION CE 10-31	2,338,238
Pest Control	10,443	RCW 15.09.050, 15.09.131 and 15.09.135	
Local Trial Court	57,566	SB5941, RCW 3.62.030 and 3.62.060	

E-REET Annual Reval	109,952	RCW 65.24	
Dispute Resolution	1,200	RCW 7.75.035	
Community Involvement	131,075	Host Agreement 07282004 , as amended	
<i>Capital Projects:</i>			
Public Facilities in Rural Counties	3,987,944	RCW 82.14.370(3) and RCW 82.14.370(5)	
Local Capital Projects	4,445,361	RCW 82.46.030	
Capital Projects within the Roads Fund			1,136,972
Law and Justice Building		RESOLUTION CE 18-51	863,276
Capital Projects within the General Fund			350,573
<i>Proprietary:</i>			
Storm Water Utility	4,848,197	RCW 36.89.080(4)	
Unemployment Comp		RESOLUTION CE 77-	810,303
Management Information Services		RESOLUTION CE 96-015	176,006

Note 2. Budget Compliance

1. Scope of Budget

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

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

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

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

	Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
001	General Fund			
2	WSU	155,252	140,976	14,276
3	ASSESSOR	840,196	796,493	43,703
5	ALCOHOL C	4,000	3,299	701
6	CLERK	449,972	415,737	34,235
7	CIVIL SERV	15,139	11,104	4,035
8	COMM	527,483	521,856	5,627
9	FACILITIES	695,541	672,456	23,085

10	DISAB BRD	2,000		2,000
11	BOUNDARY R	9,720	6,244	3,476
13	ELECTIONS	547,923	463,801	84,122
16	BOE	8,557	1,416	7,141
18	INTRPSVCS	137,682	103,866	33,816
19	DIST CRT	915,227	852,590	62,637
20	JUVENILE	675,884	614,991	60,893
21	NONDEPT	6,542,668	2,858,291	3,684,376
25	AG SUPPORT	113,525	52,285	61,240
26	PROSECUTOR	1,268,696	1,267,968	727
28	SHERIFF	6,095,059	5,613,086	481,973
29	SUPER CRT	806,745	830,952	-24,207
30	TREASURER	528,715	471,571	57,144
31	HEALTH SER	168,400	161,872	6,528
36	AUDITOR	884,964	855,190	29,774
37	ANIMAL CTL	136,604	132,777	3,827
38	REG JUVE J	390,000	344,128	45,873
39	REG JAIL	1,600,000	1,486,116	113,884
40	RIVERCOM	2,635,000	2,392,006	242,994
41	ADMIN SERV	722,715	630,900	91,815
42	OFFICE OF PUB DEF	634,609	412,827	221,782
124	SOLID WST	12,000	6,962	5,038
155	LOCAL GOV	1,000,035	633,826	366,209
162	TENT CAMP	246,063	246,062	1
180	TECH REVOLVING	100,000	527	99,473
	Total General Fund	28,870,373	23,002,175	5,868,198
102	CV COMP	87,075	81,514	5,561
104	LAW LIBR	10,000	10	9,990
105	FAIR	880,749	823,846	56,904
106	LIVESTOCK	695,000	649,246	45,754
107	ARPA	4,000,000	1,422,643	2,277,357
109	TREAS M&O	35,291	24,006	11,286
112	AUD M & O	100,451	98,179	2,272
114	WSU PUB	58,615	28,430	30,185
118	P&T	52,000	9,376	42,624
119	CR	17,504,126	12,311,040	5,193,086
120	VET'S REL	104,811	85,595	19,216
121	ELEC RES	279,500	12,917	266,583
122	CAPP	500,000		500,000
126	L & J	749,336	555,911	193,425
127	CUMUL RES	5,022	22	5,000
128	DRUG	11,786	859	10,927
130	DD	1,664,342	1,678,668	-14,326
133	BOAT SAFE	34,531	16,452	18,079
144	CW S.W.	602,631	518,616	84,015
146	PROBATION	144,816	140,162	4,654

147	RISK POOL	478,001	413,462	64,539
157	CEERP	502,886	269,936	232,950
158	CO COM DEV	150,544	50,659	99,885
161	LEGAL OBL	1,225	583	642
163	BUILD MAIN	500,000	112,589	387,411
165	COURT IMP	25,277	4,427	20,850
167	FAIR DRIV	1,000	0	1,000
168	HOMELESS	400,000	265,632	134,368
169	HIST PRES	40,000	5,411	34,589
171	HOSTFEES	57,613	32,055	25,558
173	WM SCHOLAR	20,000		20,000
174	FAIRRACESP	26,000	24,450	1,550
176	DO CO JAIL	2,000,000	50	1,999,950
177	PEST CONTR	84,963	80,978	3,985
179	EREET REVAL	70,000		70,000
182	DISPUTERES	7,200	7,040	160
183	COMMUNITY INV	0	0	0
204	LGO BOND	615,448	611,047	4,401
301	DISTRESS1	500,000	346,418	153,583
303	CE CAP	1,250,000	531,879	718,121
311	DISTRESS 2	1,500,000	651,078	848,922
320	MILLER CAPITAL IMP	350,573		350,573
321	LANDJ BLDG	1,224,359	329,073	895,286
403	LUB	2,167,811	1,560,283	607,528
404	SWU	1,421,759	481,628	940,131
501	ERR	4,851,562	2,756,407	2,096,155
502	UECOMP	150,000	15,056	134,944
503	MIS	1,056,932	1,036,210	20,722

2. Procedures for Adopting the Original Budget

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

- a. The County Auditor submits a proposed budget to the County Commission. This budget is based on priorities established by the Commission and estimates provided by County departments during the preceding months, and balanced with revenue estimates made by the County Treasurer.
- b. The Commission conducts public hearings on the proposed budget in December.
- c. The Commission makes its adjustments to the proposed budget and adopts by resolution a final balanced budget no later than December 31.

3. Amending the Budget

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

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

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year. There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the county.

Note 3. Deposits and Investments

It is the County's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. As required by state law, all deposits and investments of the County's funds are obligations of the U.S. Government or deposits with Washington State banks and savings and loan institutions. Investments are valued at cost.

Investments are reported at original cost. As of December 31, 2022, the county had the following investments:

Type of Investment	County's own investments	Investments held by County as an agent for other local governments, individuals or private organizations	Total
Bank Deposits	5,791,393	5,916,040	11,707,433
L.G.I.P.	50,006,576	70,349,069	120,355,645
US. Government Securities	17,149,472	18,602,956	35,752,428
Money Market and CD's	7,000,000		7,000,000
Total	\$79,947,441	\$94,868,065	\$174,815,506

The County is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial credit risk for deposits is the risk that, in event of a failure of depository financial institution, Douglas County would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party. Douglas County's deposits and certificates of deposit are mostly covered by federal deposit insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered, or held by Douglas County or its agent in the government's name.

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

Umpqua Bank	4,129,162
Cashmere Valley Bank	1,260,698

Note 4 – External Investment Pool

Revised Code of Washington (RCW) 36.29.022, 36.29.010, 36.29.020, authorize the County Treasurer to invest its surplus cash and any funds of municipal corporations which are not required for immediate expenditure and are in the custody or control of the county treasurer. The External Investment Pool's investments are invested pursuant to the Revised Code of Washington. Any credits or payments to pool participants are calculated and made in a manner as required by RCW 36.29.024.

The investments are managed by the Treasurer, which reports investment activity to the County Finance Committee on a Bi-annual basis. Additionally, the County treasurer investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting. The County has not provided nor obtained any legally binding guarantees during the year ended December 31, 2022, to support the value of shares in the Pool.

The External Investment Pool is not registered with the SEC and is not subject to any formal oversight other than that provided by the County Finance Committee. The Committee is responsible for adopting investment objectives and policies, for hiring investment advisors, and for monitoring policy implementation and investment performance. The Committee's primary role is to oversee the allocation of the Pool's portfolio among the asset classes, investment vehicles, and investment managers.

The interest or other earnings of income from the funds of any municipal corporation of which the governing body has not taken any action pertaining to the investment of funds and that have been invested in accordance with state statutes, shall be deposited in the current expense fund of the county and may be used for general county purposes. The total amount of income from the External Investment Pool assigned to the County's general fund for the year was \$107,443.88. These

investments made by the County Treasurer on behalf of the participants is involuntary participation in the County Treasurer's Investment Pool as they are required to be invested by statute.

Voluntary participants in the County Treasurer's Pool include Rivercom911, Chelan Douglas Transportation Council, Cemetery Districts, Eastmont Metropolitan Park District, Water Districts, Irrigation Districts, Fire Districts, Hospital Districts, Sewer Districts, and School Districts. The deposits held for both involuntary and voluntary entities are included in the External Investment Pool – Custodial Fund.

The Treasurer also maintains Individual Investment Accounts, as directed by external depositors, which are invested pursuant to the Revised Code of Washington. This investment activity occurs separately from the County's Pool and is reported in the Individual Investment Trust Fund in the amount of \$18,602,956. Income from the specific investments acquired for the individual municipalities, and changes in the value of those investments, affect only the municipality for which they are acquired, and are aggregated in the Individual Investment Fund.

Note 5. Property Taxes

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

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

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

The county's regular levy for 2022 was \$.9783912871 per \$1,000 on an assessed valuation of \$7,240,923,372 for a total regular levy of \$7,084,456.

The county's levy for road purposes for 2022 was \$1.3800741520 per \$1,000 on an assessed valuation of \$5,357,620,936 for a total county road levy of \$7,393,914.

Note 6. OPEB Plans

The County is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provided OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The County had 139 active plan members and 25 retired plan members as of December 31, 2022. As of December 31, 2022, the County total OPEB liability was \$5,025,919 as calculated using the alternative measurement method. The County contributed \$1,398,031.

The LEOFF 1 Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the County as required by RCW 41.26.030(22). The plan pays for 100% of the eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2022, the plan had 3 members, all retirees. As of December 31, 2022 the county's total OPEB liability was \$1,655,572 as calculated using the alternative measurement method. For the year ended December 31, 2022 the county paid \$70,961 in benefits.

Note 7. Pension Plans

Substantially all county full-time and qualifying part-time employees participate in one of the following plans administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employees Retirement System (PERS), Law Enforcement Officer and Fire Fighters System (LEOFF), Public Safety Employees Retirement System (PSERS). Actuarial information is on a system-wide basis and is not considered pertinent to the counties financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2022 annual financial report. A copy of this report may be obtained at:

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

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

The County also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve

Officers. Detailed information about the plan is included in the State of Washington ACFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2022, the county's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation Percentage	Liability/(Asset)
PERS 1	21,242.23	0.003466%	96,506.16
PERS 1 UAAL	400,440.69	0.065339%	1,819,278
PERS 2 and 3	668,277.64	0.083184%	(3,085,112.39)
Public Safety ERS 2	14,692.71	0.033211%	(23,745.87)
LEOFF 1	0.00	0.006921%	(198,536.71)
LEOFF 2	161,009.02	0.077771%	(2,113,580.91)
VFFRPF	90.00	0.050000%	(13,378.35)

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. Deferred Compensation Plan

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

Compensation deferred under the plans and all income attributable to the plans is solely the property of the County. The County's rights to this property are subject only to the claims of the county's

general creditors until paid to the employee or other beneficiary and are not restricted to the benefit provisions under the plan.

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

Note 9. Long-Term Debt

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the county's debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation bonds and PW Trust Fund loans are as follows:

Year Ending December 31	GO BONDS		PW Trust Fund		Total Debt
	Principal	Interest	Principal	Interest	
2023	835,000	345,728	85,674	1,319	1,267,721
2024	855,000	317,823	85,674	891	1,259,388
2025	895,000	287,273	69,440	462	1,252,175
2026	925,000	251,473	11,513	115	1,188,101
2027	690,000	214,473	11,513	58	916,044
2028-2032	2,315,000	726,603	0	0	3,041,603
2033-2037	955,000	390,450	0	0	1,345,450
2038-2042	1,180,000	164,250	0	0	1,344,250
Total	\$8,650,000	\$2,698,073	\$263,814	\$2,845	\$11,614,732

Note 10. Leases

During the year ended December 31, 2022, the County adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The County leases 16 copiers from various vendors and payments ranging from \$85.18 per month to \$864.82 per month. All copier leases are 60 months in duration.

The County leases 2 postage machines. One is located in the Waterville Courthouse, leased from APS, Inc., for 63 months, at a cost of \$254.50 per month. The non-cancelable lease began January 1, 2022. The other located in the East Wenatchee Public Services Building is also a 63-month lease, at a cost of \$171.08 per month, beginning July 1, 2018 and is non-cancelable.

The Transportation and Land Services department has a lease with Pacific Office Automation for a plotter that began in May of 2021 and has a 60-month term of \$673 per month. The lease has 60 day Non-Appropriation clause in which the equipment will be returned if sufficient moneys for rentals are not available.

Chelan Douglas Development Disabilities rents office space for \$1,359/month. The lease began January 1, 2021. The lease is for 5 years with a 5-year option to extend. The lease amount will be adjusted every January based on the Consumer Price Index.

The Coroner leases office space from the City of East Wenatchee. The lease began on August of 2022 and ends December 31, 2026 with monthly lease payments of \$750.

Transportation and Land Services have a lease for stockpiling sand with AFC Ranch 3, LLC. The lease commenced on September 1, 2020 and expires August 31, 2030. The County pays \$500 per year.

The total paid for leases in 2022 was \$63,804. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Total
2023	79,556.88
2024	75,421.59
2025	69,118.46
2026	57,437.72
2027	42,211.16
2028-2032	66,182.00
Total	389,927.81

Note 11. Risk Management

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

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2022, 24 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management, education, and claims administration. The Pool's liability program provides coverage for general liability, public officials liability, police professional liability, employment practices liability, and automobile liability. County deductibles range from \$10,000 to \$500,000. Reinsurance is purchased in several layers up to the policy limits of \$10,000,000. Members may purchase an optional \$5,000,000 excess of \$20,000,000 layer of coverage. Allocated Loss Adjustment Expense (ALAE) is combined with losses for purposes of the Pool retention, excess insurance, and deductibles. For losses occurring in 2022, Douglas County selected a per-occurrence deductible of \$50,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with Self-Insured Retentions (“SIRs”) equal to the amount of the layer of coverage below. For the Pool’s 2019-20 through 2021-22 Fiscal Years, the Pool’s SIR was \$2,000,000 and for the Pool’s 2021-22 Fiscal Year, the Pool’s SIR was \$3,000,000. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30,000,000 (lowest reinsured layer), \$50 million, (second layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. For the 2021-22 Fiscal Year, 16 of the Pool’s 24 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

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

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

During 2021-22, Douglas County was also one of twenty-four (24) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)’ coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Douglas County also participates in the jointly purchased cyber risk and security coverage from a highly rated commercial insurer. This group-purchased cyber coverage provides limits of \$2,000,000 per claim and \$5,000,000 in the aggregate. For 2022, the Pool’s SIR for cyber claims was \$250,000 from January 1 through December 31, with Douglas County having no deductible.

Beginning in the 2021-22 Fiscal Year, Douglas County was one of 22 counties that participated in a group purchased crime policy, which included limits of \$2,000,000 and with a county deductible of \$25,000.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year

with the Annual Meeting of the Pool being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and review the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$100,000, c). to authorize by two-thirds majority vote commencement of lawsuits in the name of the Pool.

During 2021-22, the WCRP's assets increased to \$57,838,522 while its liabilities also increased to \$35,879,265. The Pool's net position ended at \$22,917,345. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2022 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Note 12. Interfund Loans

The following table displays interfund loan activity during 2022:

Borrowing Fund	Lending Fund	Balance 1/1/2022	New Loans	Repayments	Balance 12/31/2022
NCW Fair	Current Expense	\$0	\$50,000	\$50,000	\$0
NCW Fair	Real Estate Excise Tax	\$0	\$64,818	\$0	\$64,818
TOTAL		\$0	\$114,818	\$50,000	\$64,818

Note 13. Joint Ventures

Douglas County participates in the following joint ventures:

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

In 2002, Douglas County, Chelan County, the City of Wenatchee, and the City of East Wenatchee, entered into an Interlocal Cooperative Agreement under the authority of

RCW Chapter 39.34 in order to provide for the joint exercise of their powers, privileges and authorities to operate a consolidated 911 emergency dispatch facility they named Rivercom. Rivercom began operations in July 2004, and serves as the Public Safety Answering Point for all of the law enforcement agencies in Chelan and Douglas counties, as well as for the vast majority of Fire and Emergency Medical Service agencies in the bicounty region. Douglas County is charged a user fee based on usage of Rivercom services as evidenced by either the number of radio logs and/or dispatched events. In 2022 Douglas County will account for Rivercom as an Agency fund and financial reports can be obtained from the Douglas County Auditor, PO Box 456, Waterville, Washington, 98858.

Note 14. Construction Projects

The County has active construction projects as of December 31, 2022. The County is constructing a new Law and Justice Building, funded through floating a \$4,000,000 bond and existing General Fund Revenue. The County has 2 Public Works Contracts financed with Federal Grants: Reconstruction of NW Empire Ave and Countywide Road Safety improvements required by current design standards.

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

Project	Spent to Date	Remaining Commitment
Law and Justice Building	9,752,605	863,276
NW Empire Ave	0	1,789,623
Law and Justice Building	0	116,520

Note 15. Contingencies and Litigations

On February 25, 2022, the Washington State Supreme Court in *State vs Blake* declared unconstitutional Washington's strict liability drug possession statute, which criminalized unintentional, unknowing possession of controlled substances without a prescription. The end result is that the state law criminalizing possession of controlled substances has been struck down as unconstitutional; in other words, it is no longer a crime for someone to possess controlled substances, whether knowingly or unknowingly.

The repercussions of this decision are significant, and include:

- Invalidation of simple drug possession convictions for nearly 100 individuals incarcerated and nearly 7,000 individuals who have been sentenced to community supervision on a simple possession conviction.
- Potential resentencing for nearly 2,600 individuals incarcerated and nearly 3,900 individuals who are serving community supervision on a simple possession and an additional conviction(s).

At this time the County does not have the information necessary to make an estimate of any potential liability. The County feels the liability rests with the state and will code all payments to non-expenditures and all reimbursements from the state as non-revenue.

**Douglas County
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Limited Gen. Obligation Bonds	12/1/2042	3,680,000	-	115,000	3,565,000
251.11	Limited Gen. Obligation Bonds	12/1/2022	200,000	-	200,000	-
251.11	Limited Gen. Obligation Bonds	12/1/2032	5,570,000	-	485,000	5,085,000
263.87	Public Works Trust fund Loan	7/1/2024	48,704	-	16,234	32,470
263.87	Public Works Trust fund Loan	7/1/2025	231,704	-	57,927	173,777
263.87	Public Works Trust fund Loan	7/1/2027	69,081	-	11,513	57,568
Total General Obligation Debt/Liabilities:			9,799,489	-	885,674	8,913,815
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	COMPENSATED ABSENCES		1,678,675	1,838,703	1,759,145	1,758,233
264.30	Pension Liability		839,037	1,076,747	-	1,915,784
264.40	OPEB		8,020,426	-	1,338,935	6,681,491
263.57	BCC Copier	3/31/2026	13,966	-	3,286	10,680
263.57	DD Copier	7/31/2026	7,467	-	1,629	5,838
263.57	District Crt Copier	10/31/2024	4,446	-	1,569	2,877
263.57	Auditor/Elections Copier	8/31/2027	23,932	-	1,595	22,337
263.57	Prosecutor Copier	6/30/2025	7,815	-	2,243	5,572
263.57	Prosecutor Copier	4/30/2024	4,859	-	1,883	2,976
263.57	Treasurer Copier	1/31/2024	4,611	-	2,029	2,582
263.57	WSU Copier	5/31/2025	9,682	-	2,834	6,848
263.57	Fair Copier	7/31/2026	7,446	-	1,489	5,957
263.57	HR Copier	7/31/2022	1,607	-	1,607	-
263.57	HR Copier	6/30/2027	-	14,266	1,427	12,839
263.57	Superior Court Copier	10/31/2026	9,162	-	1,899	7,263
263.57	OPD Copier	8/31/2027	-	12,055	804	11,251
263.57	Coroner Copier	9/30/2027	-	5,111	256	4,855
263.57	Waterville Postage Machine	11/30/2027	16,034	-	3,054	12,980
263.57	Postage Machine & Folder TLS	9/5/2024	3,814	-	1,430	2,384
263.57	Postage Meter TLS	8/1/2023	1,144	-	780	364
263.57	Plotter TLS	5/1/2021	35,028	-	8,083	26,945
263.57	TLS Copier--Xerox	9/30/2022	3,570	-	3,570	-
263.57	TLS Copier--Konica	10/1/2027	-	51,889	1,730	50,159
263.57	TLS Land	8/31/2030	4,000	-	500	3,500

**Douglas County
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
263.57	DD Office Space	12/31/2031	163,080	-	16,358	146,722
263.57	Coroner Office Space	12/31/2026	39,750	-	3,750	36,000
Total Revenue and Other (non G.O.) Debt/Liabilities:			10,899,551	2,998,771	3,161,885	10,736,437
Total Liabilities:			20,699,040	2,998,771	4,047,559	19,650,252

Douglas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 Wash State Dept of Commerce)	Crime Victim Assistance	16.575	NA	64,220	-	64,220	-	123
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via Wash State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F21-31103-028	28,718	-	28,718	-	123
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	3,248	3,248	-	123
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WADOT)	Highway Planning and Construction	20.205	STPUS-STBG- 5903(001)	220,419	-	220,419	-	123
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WADOT)	Highway Planning and Construction	20.205	ER-2004(084)	6,771	-	6,771	-	123
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WADOT)	Highway Planning and Construction	20.205	HSIP-5908(012)	175,087	-	175,087	-	123
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WADOT)	Highway Planning and Construction	20.205	BRS-T090(003)	185,993	-	185,993	-	123
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WADOT)	Highway Planning and Construction	20.205	HSIP-0005(611)	21,223	-	21,223	-	123

The accompanying notes are an integral part of this schedule.

Douglas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Highway Safety Cluster	Total Highway Planning and Construction Cluster:			609,493	-	609,493	-	
	NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	State and Community Highway Safety	20.600	NA	4,233	-	4,233	123
	Total Highway Safety Cluster:			4,233	-	4,233	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	1,422,643	1,422,643	-	123
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via Wash Parks)	Boating Safety Financial Assistance	97.012	NA	9,541	-	9,541	-	123
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Military Department)	Emergency Management Performance Grants	97.042	E22-262,E22- 116,E22-212	28,013	-	28,013	-	123
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Military Department)	COVID 19 - Emergency Management Performance Grants	97.042	E22-262,E22- 116,E22-212	14,205	-	14,205	-	123
Total ALN 97.042:				42,218	-	42,218	-	

The accompanying notes are an integral part of this schedule.

Douglas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

	Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 Military Dept)	Homeland Security Grant Program	97.067	E22-262,E22- 116,E22-212	9,623	-	9,623	-	123
Total Federal Awards Expended:					768,046	1,425,891	2,193,937	-	

DOUGLAS COUNTY

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

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 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

The County has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform guidance.

DOUGLAS COUNTY COMMISSIONERS

DAN SUTTON 1ST DISTRICT

KYLE STEINBURG 2ND DISTRICT

MARC S. STRAUB 3RD DISTRICT

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Douglas County January 1, 2022 through December 31, 2022

This schedule presents the corrective action planned by the County for findings reported in this report 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).

Finding ref number: 2022-001	Finding caption: The County's internal controls were inadequate for ensuring compliance with federal suspension and debarment requirements
Name, address, and telephone of County contact person: Karen Goodwin 140 19 th Street N.W. 509-888-6596	
Corrective action the auditee plans to take in response to the finding: <i>The County has hired a Grants and Public Relations Specialist. This position provides technical assistance to county staff and outside contractors to ensure compliance.</i>	
Anticipated date to complete the corrective action: Done	

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

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