



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Douglas County

For the period January 1, 2023 through December 31, 2023

Published December 30, 2024

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

December 30, 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 activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Douglas County January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audits 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 each of its major federal programs.

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction
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 Findings 2023-001 and 2023-002.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Douglas County January 1, 2023 through December 31, 2023

2023-001 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 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 2022-001

Background

The purpose of the Coronavirus State and Local Fiscal Recovery Funds 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 2023, the County spent \$3,220,677 in program funds.

Federal regulations require recipients to establish and maintain 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 are not suspended, debarred or otherwise excluded. The

County may verify this 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 verify this before entering into the contract, and must keep documentation demonstrating compliance with this federal requirement

Description of Condition

Our audit found the County's controls were ineffective for ensuring it verified the suspension and debarment status for three of 12 contractors it paid \$25,000 or more, 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 the three contractors were not suspended or debarred before entering into contracts with them. The County paid these contractors \$560,320 in fiscal year 2023.

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

Cause of Condition

County staff did not consistently follow established procedures to perform this verification for all applicable transactions.

Effect of Condition

Without this verification, the County increases its risk of providing federal funds to contractors that are excluded from participating in federal programs. Any payments made to an ineligible party would be unallowable, and the awarding agency could potentially recover them.

We subsequently verified the contractors were not suspended and 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. We also recommend the County maintain documentation demonstrating compliance with this requirement.

County's Response

In 2023 the County hired a Grants and Public Relations Specialist. This position provides technical assistance to county staff and outside contractors to ensure compliance with grant requirements. Unfortunately, some of the contracts were entered into before this position was filled. This should not be an issue going forward.

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.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Douglas County January 1, 2023 through December 31, 2023

2023-002 The County's internal controls were inadequate for ensuring compliance with federal procurement requirements.

Assistance Listing Number and Title:	20.205, Highway Planning and Construction
Federal Grantor Name:	Federal Highway Administration, U.S. Department of Transportation
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	Washington State Department of Transportation (WSDOT)
Pass-through Award/Contract Number:	HSIP-5908(012) STPUS-5903(001)
Known Questioned Cost Amount:	\$0
Prior Year Audit Finding:	N/A

Background

During fiscal year 2023, the County spent \$2,443,615 in Highway Planning and Construction program funds. The County used this program funding for various road improvement projects.

Federal regulations require award 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. When using federal funds to pay for consulting services, governments must apply the more restrictive of federal requirements, state law or local policies. For consulting services, the County must perform a competitive negotiation process, which includes selecting the most qualified firm.

Description of Condition

When procuring transactions, the County must adhere to the *Local Agency Guidelines* (LAG) Manual, which WSDOT maintains. The LAG Manual contains requirements for procuring consulting services and specific requirements for limited competition situations. Although the County references the LAG Manual when procuring these types of services, it did not have controls effective to comply with the requirements specific to limited competition. When selecting two consultants, the County did not obtain the minimum three proposals required. For one project, the County only received two proposals, evaluated them and selected the most qualified firm. For the other project, the County only received one proposal, did not perform any further evaluation and awarded the contract to the only submitter.

For both projects, the County did not complete or submit a sole source public interest finding to WSDOT for review and approval as required. For the project with one proposal submitted, the County also did not follow requirements to evaluate the consultant's qualifications with a phone interview, at minimum, based on established criteria. Both these procurement activities did not comply with the requirements in the LAG Manual. The County paid a total of about \$140,000 to these consultants during the period.

Cause of Condition

Although County staff responsible for procurement used the LAG Manual, they were unaware of the requirements regarding limited competition.

Effect of Condition

Without following the required procurement procedures, the County cannot be sure it selected the most qualified firms for consulting services or provided fair and open competition in the selection of public contracts.

Recommendation

We recommend the County improve its internal controls over procurement requirements to verify that it meets all requirements, including those in the LAG Manual, before awarding contracts.

County's Response

The County coordinates all consultant contracts with WSDOT Local Programs on federally funded projects, and it was not mentioned that we needed additional controls. We recognize now the need for phone interviews and sole source public interest findings. The County appreciates the opportunity to learn and grow and will endeavor to provide a fair and open selection process for all future public contracts.

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 200, Uniform Guidance, Section 318, General procurement standards, establishes requirements for written procedures and for maintaining records sufficient to detail the history of procurement.

Title 2 CFR Part 200, Uniform Guidance, Section 319 – Competition, establishes requirements that all procurement transactions are to be conducted in a manner providing full and open competition.

Title 2 CFR Part 200, Uniform Guidance, Section 320 – Methods of procurement to be followed, establishes requirements for procuring with Federal funds by nonfederal entities.

The *Local Agency Guidelines* (LAG) manual, chapter 13.2 contains requirements for limited competition. Chapter 31.1 contains requirements for selecting consultants.

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, 2023 through December 31, 2023

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

Audit Period: January 1, 2022, through December 31, 2022	Report Reference No.: 1033256	Finding Ref. No.: 2022-001	ALN(s): 21.027
Federal Program Name and Granting Agency: 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 suspension and debarment requirements.			
Background: 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. 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 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.			
Status of Corrective Action: <div><input type="checkbox"/> Fully Corrected</div> <div><input type="checkbox"/> Partially Corrected</div> <div><input checked="" type="checkbox"/> Not Corrected</div> <div><input type="checkbox"/> Finding is considered no longer valid</div>			

Corrective Action Taken:

In 2023, the County hired a Grants and Public Relations Specialist. This position provides technical assistance to county staff and outside contractors to ensure compliance with grant requirements. Unfortunately, some of the contracts were entered into before this position was filled. This should no longer be an issue.

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, 2023 through December 31, 2023**

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, 2023, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated December 13, 2024.

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.

We noted certain other matters that we will report to the management of the County in a separate letter dated December 19, 2024.

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.

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 13, 2024

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, 2023 through December 31, 2023

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, 2023. 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, 2023.

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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Findings 2023-001 and 2023-002. 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 Findings 2023-001 and 2023-002, that we consider to be material weaknesses.

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

Pat McCarthy, State Auditor

Olympia, WA

December 13, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Douglas County **January 1, 2023 through December 31, 2023**

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, 2023, 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, 2023, 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, 2023, 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 13, 2024 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, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

December 13, 2024

FINANCIAL SECTION

Douglas County January 1, 2023 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2023
Notes to the Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023
Schedule of Expenditures of Federal Awards – 2023
Notes to the Schedule of Expenditures of Federal Awards – 2023

Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	001 General Fund	102 CRIME VICTIMS	104 LAW LIBRARY
Beginning Cash and Investments					
308	Beginning Cash and Investments	80,360,803	28,794,089	267,176	11,332
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	30,814,086	20,483,830	-	-
320	Licenses and Permits	1,800,872	15,796	-	-
330	Intergovernmental Revenues	11,987,805	2,133,783	87,524	-
340	Charges for Goods and Services	12,503,833	2,130,770	35,599	8,794
350	Fines and Penalties	467,242	466,104	-	-
360	Miscellaneous Revenues	5,358,933	3,049,515	-	-
Total Revenues:		62,932,771	28,279,798	123,123	8,794
Expenditures					
510	General Government	15,680,216	11,182,176	110,038	-
520	Public Safety	11,614,725	11,026,684	-	-
530	Utilities	1,121,446	-	-	-
540	Transportation	15,473,981	-	-	-
550	Natural/Economic Environment	2,750,547	168,273	-	-
560	Social Services	2,926,948	318,976	-	-
570	Culture and Recreation	1,441,390	118,399	-	10,279
Total Expenditures:		51,009,253	22,814,508	110,038	10,279
Excess (Deficiency) Revenues over Expenditures:		11,923,518	5,465,290	13,085	(1,485)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	3,612,540	319,708	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	333,105	226,769	-	-
Total Other Increases in Fund Resources:		3,945,645	546,477	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	9,657,345	141,230	-	-
591-593, 599	Debt Service	1,458,791	43,691	-	-
597	Transfers-Out	3,612,541	1,056,604	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	106,872	42,054	-	-
Total Other Decreases in Fund Resources:		14,835,549	1,283,579	-	-
Increase (Decrease) in Cash and Investments:		1,033,614	4,728,188	13,085	(1,485)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	32,106,390	95,278	280,260	9,847
50841	Committed	9,590,895	391,476	-	-
50851	Assigned	6,661,612	-	-	-
50891	Unassigned	33,035,525	33,035,525	-	-
Total Ending Cash and Investments		81,394,422	33,522,279	280,260	9,847

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, 2023

		105 NCWFAIR	106 FAIR LIVESTOCK SALE	107 AMERICAN RESCUE PLAN ACT	109 TREAS M&O
Beginning Cash and Investments					
308	Beginning Cash and Investments	125,437	22,923	6,192,272	112,608
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	111,578	-	141,971	-
340	Charges for Goods and Services	286,485	-	-	6,521
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	321,006	421,475	269,744	3,549
Total Revenues:		719,069	421,475	411,715	10,070
Expenditures					
510	General Government	-	-	1,085,004	15,642
520	Public Safety	-	-	6,001	-
530	Utilities	-	-	-	-
540	Transportation	-	-	378,032	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	804,128	420,513	-	-
Total Expenditures:		804,128	420,513	1,469,037	15,642
Excess (Deficiency) Revenues over Expenditures:		(85,059)	962	(1,057,322)	(5,572)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	81,863	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	3,349	-	-	-
Total Other Increases in Fund Resources:		85,212	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	27,667	-	1,665,758	-
591-593, 599	Debt Service	3,851	-	85,882	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	64,818	-	-	-
Total Other Decreases in Fund Resources:		96,336	-	1,751,640	-
Increase (Decrease) in Cash and Investments:		(96,183)	962	(2,808,962)	(5,572)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	3,383,310	107,036
50841	Committed	29,252	23,885	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		29,252	23,885	3,383,310	107,036

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, 2023

		112 AUD M & O	114 WSU PUB	118 PATHS AND TRAILS	119 COUNTY ROAD
Beginning Cash and Investments					
308	Beginning Cash and Investments	41,159	83,048	11,776	7,198,229
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	7,648,666
320	Licenses and Permits	-	-	-	150,374
330	Intergovernmental Revenues	52,706	-	17,692	5,654,720
340	Charges for Goods and Services	20,363	43,076	-	1,601,106
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	814	59,853
Total Revenues:		73,069	43,076	18,506	15,114,719
Expenditures					
510	General Government	92,964	-	-	862,393
520	Public Safety	-	-	-	3,265
530	Utilities	-	-	-	-
540	Transportation	-	-	-	12,211,379
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	34,875	-	-
Total Expenditures:		92,964	34,875	-	13,077,037
Excess (Deficiency) Revenues over Expenditures:		(19,895)	8,201	18,506	2,037,682
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	1,517,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	2	-	5,843
Total Other Increases in Fund Resources:		-	2	-	1,522,843
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	3,287,389
591-593, 599	Debt Service	-	-	-	566,992
597	Transfers-Out	-	-	17,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	17,000	3,854,381
Increase (Decrease) in Cash and Investments:		(19,895)	8,203	1,506	(293,856)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	21,263	-	13,282	6,904,381
50841	Committed	-	91,251	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		21,263	91,251	13,282	6,904,381

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, 2023

		120 VET'S REL	121 ELEC RES	122 CAPP	126 LAW AND JUSTICE
Beginning Cash and Investments					
308	Beginning Cash and Investments	87,900	1,279,709	1,385,352	(5,922)
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	94,369	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1	53,468	687,828	551,755
340	Charges for Goods and Services	-	255,038	-	12,845
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	3,529	18,680	-	-
Total Revenues:		97,899	327,186	687,828	564,600
Expenditures					
510	General Government	-	416	-	294,992
520	Public Safety	-	-	-	167,387
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	89,240	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		89,240	416	-	462,379
Excess (Deficiency) Revenues over Expenditures:		8,659	326,770	687,828	102,221
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	-	90,529	-	-
591-593, 599	Debt Service	2	-	-	-
597	Transfers-Out	-	279,709	1,500,000	90,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		2	370,238	1,500,000	90,000
Increase (Decrease) in Cash and Investments:		8,657	(43,468)	(812,172)	12,221
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	96,558	1,236,240	573,180	6,299
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		96,558	1,236,240	573,180	6,299

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Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		127 CUMUL RES	128 DRUG	130 DEV DISABILITIES	131 BEHAVIORAL HEALTH TAX
Beginning Cash and Investments					
308	Beginning Cash and Investments	48,870	13,414	818,153	390,649
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	104,735	104,872
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	2,040,861	-
340	Charges for Goods and Services	-	-	189,120	-
350	Fines and Penalties	-	1,136	-	-
360	Miscellaneous Revenues	(20,065)	-	-	-
Total Revenues:		(20,065)	1,136	2,334,716	104,872
Expenditures					
510	General Government	3,046	-	-	-
520	Public Safety	-	(468)	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	2,518,732	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,046	(468)	2,518,732	-
Excess (Deficiency) Revenues over Expenditures:		(23,111)	1,604	(184,016)	104,872
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	-	-	17,398	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	17,398	-
Increase (Decrease) in Cash and Investments:		(23,111)	1,604	(201,414)	104,872
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	15,018	616,738	495,521
50841	Committed	25,759	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		25,759	15,018	616,738	495,521

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Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		133 BOAT SAFE	144 CW SOLID WASTE	146 PROBATION	147 RISK POOL
Beginning Cash and Investments					
308	Beginning Cash and Investments	28,576	1,075,911	251,736	715,208
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	270,067	-	-
340	Charges for Goods and Services	-	456,857	99,796	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	18,994	22,703	549,542
Total Revenues:		-	745,918	122,499	549,542
Expenditures					
510	General Government	-	-	142,226	693,951
520	Public Safety	-	-	-	-
530	Utilities	-	674,521	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	2,484	-	-	-
Total Expenditures:		2,484	674,521	142,226	693,951
Excess (Deficiency) Revenues over Expenditures:		(2,484)	71,397	(19,727)	(144,409)
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	-	127,504	-	-
591-593, 599	Debt Service	-	304	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	127,808	-	-
Increase (Decrease) in Cash and Investments:		(2,484)	(56,411)	(19,727)	(144,409)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	26,093	1,019,500	232,010	-
50841	Committed	-	-	-	570,799
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		26,093	1,019,500	232,010	570,799

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, 2023

		152 RETIREMENT CONT	157 CEERP	158 CO COM DEV	161 LEGAL OBL
Beginning Cash and Investments					
308	Beginning Cash and Investments	93,366	1,355,780	467,414	69,598
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	(301,884)	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	63,257	-	3,032
340	Charges for Goods and Services	-	-	36,576	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	63,257	(265,308)	3,032
Expenditures					
510	General Government	-	-	-	744
520	Public Safety	-	56,648	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	74,624	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	56,648	74,624	744
Excess (Deficiency) Revenues over Expenditures:		-	6,609	(339,932)	2,288
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	502,791	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	11,408	-	-
Total Other Increases in Fund Resources:		-	514,199	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	469,732	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	469,732	-	-
Increase (Decrease) in Cash and Investments:		-	51,076	(339,932)	2,288
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	127,482	71,886
50841	Committed	93,366	1,406,855	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		93,366	1,406,855	127,482	71,886

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, 2023

		163 BUILD MAIN	164 DOMES VIOL CRT ADV	165 COURT IMP	167 FAIR DRIV
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,254,637	2,296	61,793	1,936
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	22,478	-
340	Charges for Goods and Services	-	12	-	252
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	16,896	-	-	-
Total Revenues:		16,896	12	22,478	252
Expenditures					
510	General Government	95,547	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	23,240	-	-	-
Total Expenditures:		118,787	-	-	-
Excess (Deficiency) Revenues over Expenditures:		(101,891)	12	22,478	252
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:		(101,891)	12	22,478	252
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	2,308	84,271	-
50841	Committed	1,152,746	-	-	2,188
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,152,746	2,308	84,271	2,188

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, 2023

		168 HOMELESS	169 HIST PRES	170 D V PREVENT	171 HOST FEES
Beginning Cash and Investments					
308	Beginning Cash and Investments	531,389	102,770	4,934	1,863,376
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	431,397	-	-	-
320	Licenses and Permits	-	-	-	220,146
330	Intergovernmental Revenues	-	12,247	-	-
340	Charges for Goods and Services	220,985	5,735	211	58,706
350	Fines and Penalties	-	-	2	-
360	Miscellaneous Revenues	-	-	-	102,337
Total Revenues:		652,382	17,982	213	381,189
Expenditures					
510	General Government	-	18,147	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	961,903	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		961,903	18,147	-	-
Excess (Deficiency) Revenues over Expenditures:		(309,521)	(165)	213	381,189
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	-	-	-	10,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	10,000
Increase (Decrease) in Cash and Investments:		(309,521)	(165)	213	371,189
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	221,868	102,605	5,147	2,234,565
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		221,868	102,605	5,147	2,234,565

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Douglas County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		173 WM SCHOLARSHIP	174 NCW FAIR RACE HORSE	176 DO CO JAIL	177 PEST CONTROL
Beginning Cash and Investments					
308	Beginning Cash and Investments	46,910	3,750	2,338,238	10,443
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	5,871	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	17,000	-	54,424
Total Revenues:		5,871	17,000	-	54,424
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	49,191
560	Social Services	-	-	-	-
570	Culture and Recreation	-	20,750	-	-
Total Expenditures:		-	20,750	-	49,191
Excess (Deficiency) Revenues over Expenditures:		5,871	(3,750)	-	5,233
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	-	-	253	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	253	-
Increase (Decrease) in Cash and Investments:		5,871	(3,750)	(253)	5,233
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	52,781	-	-	15,677
50841	Committed	-	-	2,337,985	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		52,781	-	2,337,985	15,677

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, 2023

		178 LOCAT TRIAL CRT	179 E-REET ANNUAL REVAL	182 DISPUTE RESOLUTION	183 COMMUNITY INVOLVEMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	57,566	109,952	1,200	131,075
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	7,837	-	-
340	Charges for Goods and Services	5,454	4,213	7,785	58,706
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		5,454	12,050	7,785	58,706
Expenditures					
510	General Government	-	-	7,785	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	6,722
Total Expenditures:		-	-	7,785	6,722
Excess (Deficiency) Revenues over Expenditures:		5,454	12,050	-	51,984
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	-	-	-	54,557
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	54,557
Increase (Decrease) in Cash and Investments:		5,454	12,050	-	(2,573)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	63,021	122,001	1,200	128,501
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		63,021	122,001	1,200	128,501

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, 2023

		204 LGO BOND	301 DISTRESS1	303 CE CAP	311 DISTRESS 2
Beginning Cash and Investments					
308	Beginning Cash and Investments	-	1,692,744	4,445,361	2,295,200
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	652,308	805,730	790,063
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	1,389	292	39,446
Total Revenues:		-	653,697	806,022	829,509
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:		-	653,697	806,022	829,509
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	619,228	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	68,669	-
Total Other Increases in Fund Resources:		619,228	-	68,669	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	3,137	232,333	1,772,672
591-593, 599	Debt Service	619,228	-	-	-
597	Transfers-Out	-	349,325	269,903	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		619,228	352,462	502,236	1,772,672
Increase (Decrease) in Cash and Investments:		-	301,235	372,455	(943,163)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	1,993,978	4,817,817	1,352,038
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		-	1,993,978	4,817,817	1,352,038

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, 2023

		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	1,136,972	350,573	863,276	3,722,245
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	1,414,556
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	1,027,587
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	58,735	-	-	523
Total Revenues:		58,735	-	-	2,442,666
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	355,208
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	1,496,556
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	1,851,764
Excess (Deficiency) Revenues over Expenditures:		58,735	-	-	590,902
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	571,950
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	15,309
Total Other Increases in Fund Resources:		-	-	-	587,259
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	43,900	-
591-593, 599	Debt Service	-	-	-	5,590
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	43,900	5,590
Increase (Decrease) in Cash and Investments:		58,735	-	(43,900)	1,172,571
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	1,195,707	350,573	819,376	-
50851	Assigned	-	-	-	4,894,819
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,195,707	350,573	819,376	4,894,819

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, 2023

		404 STORM WATER UTILITY	501 ER&R	502 UECOMP	503 MANAGEMENT INFO SYS
Beginning Cash and Investments					
308	Beginning Cash and Investments	4,848,197	2,561,898	810,303	176,006
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	75,000	-	-	-
340	Charges for Goods and Services	844,817	3,820,618	86,249	1,173,686
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	342,902	2,429	-	3,221
Total Revenues:		1,262,719	3,823,047	86,249	1,176,907
Expenditures					
510	General Government	-	36,097	10,920	1,028,128
520	Public Safety	-	-	-	-
530	Utilities	446,925	-	-	-
540	Transportation	-	2,884,570	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		446,925	2,920,667	10,920	1,028,128
Excess (Deficiency) Revenues over Expenditures:		815,794	902,380	75,329	148,779
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	458	1,298	-	-
Total Other Increases in Fund Resources:		458	1,298	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	1,669,945	-	70,739
591-593, 599	Debt Service	87,018	28,835	-	-
597	Transfers-Out	-	-	-	40,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		87,018	1,698,780	-	110,739
Increase (Decrease) in Cash and Investments:		729,234	(795,102)	75,329	38,040
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	5,577,430	-	-	-
50841	Committed	-	-	885,632	214,045
50851	Assigned	-	1,766,793	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		5,577,430	1,766,793	885,632	214,045

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, 2023

		Total for All Funds (Memo Only)	Investment Trust	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	94,449,582	18,602,956	41,767	5,455,790
388 & 588	Net Adjustments	-	-	-	-
310-390	Additions	397,119,744	3,383,138	13,295	315,075,546
510-590	Deductions	385,958,779	-	7,737	309,636,117
	Net Increase (Decrease) in Cash and Investments:	11,160,965	3,383,138	5,558	5,439,429
508	Ending Cash and Investments	105,610,546	21,986,094	47,324	10,895,219

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, 2023

		External Investment Pool Fund
308	Beginning Cash and Investments	70,349,069
388 & 588	Net Adjustments	-
310-390	Additions	78,647,765
510-590	Deductions	76,314,925
	Net Increase (Decrease) in Cash and Investments:	2,332,840
508	Ending Cash and Investments	72,681,909

The accompanying notes are an integral part of this statement.

Douglas County, Washington

Notes to the Financial Statements

For the year ended December 31, 2023

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 14 – 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).

C. Cash and Investments

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

D. Interfund Loans

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." A separate schedule of interfund loans receivable and payable is furnished in Note 13.

E. Compensated Absences

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

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

F. Long-Term Debt - See Note 9.

G. Capital Assets

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

H. 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	3,230.49
Employee Buyouts		RESOLUTION 134-781	150,000.00
Technology		RESOLUTION 134-780	238,245.97
Opioid Settlement	95,278.25	AGO's Opioid Response Plan	
<i>Special Revenue:</i>			
Crime Victims	280,259.86	RCW 7.68.035	
Law Library	9,847.16	RCW 27.24.070	
NCW Fair			29,251.89
NCW Fair Livestock Sale		RESOLUTION CE 18-31	23,884.67
ARPA	3,383,310.19	American Rescue Plan Act of 2021	
Treasurer M and O	107,036.00	RCW 86.54.020 (9)	
Auditor's M and O	21,262.77	RCW 36.22.170	
WSU Publications Sales and Classes		RESOLUTION CE 98-018	91,250.93
Paths and Trails	13,282.22	RCW 47.30.050	
County Road	6,904,264.13	RCW 36.82.020 funded by taxes and grants	
Veteran Relief	96,557.56	RCW 73.08.010	
Election Reserve	1,236,240.27	RCW 36.33.200	
CAPP	573,179.83	WAC 136-300-080	
Law and Justice	6,299.16	RCW 82.14.310	
Cumulative Health Reserve		RESOLUTION CE 86-26	25,759.09
Drug Reserve	15,017.72	RCW 10.105.010 7c	
Developmental Disabilities	616,738.47	RCW 71A	
Behavioral Health Tax	495,520.68	RCW 71.20.110	
Boating Safety	26,092.53	RCW 88.02.650	
County Wide Solid Waste	1,019,499.81	RCW 36.58	
Probation Assessment	232,009.76	RCW 10.64.120 and AGO 1968 No. 17 - May 02, 1968	
County Risk Pool		RESOLUTION CE 03-54	570,798.93
Retirement Contingency		RESOLUTION CE 99-077	93,366.00
Equipment Replacement		RESOLUTION CE 02-10	1,406,854.71
County Community Development	127,482.06	RCW 36.22.178	
Legal Financial Obligations	71,886.07	RCW 9.94a.760	
Building Maintenance		RESOLUTION 04-84	1,152,745.81
Domestic Court Advocate	2308.05	RCW 26.12.220	
Trial Court Improvement	84,270.57	RCW 3.58.060	
NCW Fair Driving Range		RESOLUTION 05-65	2,187.79
Low Income housing	221,867.96	RCW 36.22.179	
Historical Preservation	102,604.56	RCW 36.22.170	
Local Domestic Violence Prevent.	5,147.46	RCW 10.99.080	
Host Fee	2,234,564.99	Host Agreement 07282004 , as amended	
Waste Management Scholarship	52,780.86	Host Agreement 07282004 , as amended	
Douglas County Jail		RESOLUTION CE 10-31	2,337,985.47
Pest Control	15,676.90	RCW 15.09.050, 15.09.131 and 15.09.135	
Local Trial Court	63,020.79	SB5941, RCW 3.62.030 and 3.62.060	

E-REET Annual Reval	122,001.44	RCW 65.24	
Dispute Resolution	1,200.00	RCW 7.75.035	
Community Involvement	128,501.25	Host Agreement 07282004 , as amended	
<i>Capital Projects:</i>			
Public Facilities in Rural Counties	3,346,015.94	RCW 82.14.370(3) and RCW 82.14.370(5)	
Local Capital Projects	4,817,816.73	RCW 82.46.030	
Capital Projects within the Roads Fund			1,195,706.61
Law and Justice Building		RESOLUTION CE 18-51	819,375.58
Capital Projects within the General Fund			350,573.49
<i>Proprietary:</i>			
Storm Water Utility	5,577,430.48	RCW 36.89.080(4)	
Unemployment Comp		RESOLUTION CE 77-	885,631.58
Management Information Services		RESOLUTION CE 96-015	214,044.93

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	173,517.00	121,215.35	52,301.65
3	ASSESSOR	900,094.30	880,705.31	19,388.99
5	ALCOHOL C	4,000.00	2,495.28	1,504.72
6	CLERK	493,212.50	447,792.89	45,419.61
7	CIVIL SERV	15,447.00	12,649.81	2,797.19
8	COMM	582,813.81	525,245.35	57,568.46
9	FACILITIES	803,147.29	783,897.01	19,250.28
10	DISAB BRD	2,000.00		2,000.00
11	BOUNDARY R	9,720.00	2,729.27	6,990.73
13	ELECTIONS	541,416.42	416,366.61	125,049.81
16	BOE	8,157.00	2,001.43	6,155.57
18	INTRPSVCS	155,186.93	120,961.28	34,225.65
19	DIST CRT	923,261.71	897,022.51	26,239.20
20	JUVENILE	748,314.69	685,934.12	62,380.57

21	NONDEPT	3,299,652.45	2,908,509.13	391,143.32
25	AG SUPPORT	113,525.00	47,609.29	65,915.71
26	PROSECUTOR	1,292,627.76	1,225,219.52	67,408.24
28	SHERIFF	7,176,560.80	6,476,265.27	700,292.53
29	SUPER CRT	1,100,320.37	1,097,813.36	2,507.01
30	TREASURER	528,081.21	504,848.13	23,233.08
31	HEALTH SER	160,925.00	160,922.64	2.36
36	AUDITOR	969,190.17	967,817.34	1,372.83
37	ANIMAL CTL	130,000.00	99,764.05	30,235.95
38	REG JUVE J	390,000.00	363,625.00	26,375.00
39	REG JAIL	1,600,000.00	1,357,934.24	242,065.76
40	RIVERCOM	2,376,042.00	2,156,454.68	219,587.32
41	ADMIN SERV	991,351.30	893,883.47	97,467.83
42	PUBLIC DEF	828,307.69	756,549.58	71,758.11
43	CORONER	226,742.01	164,006.60	62,735.41
124	SOLID WST	8,750.00	5,770.20	2,979.80
155	LOCAL GOV	1,000,000.00	12,072.50	987,927.50
180	TECH REVOL			0.00
	Total General Fund	27,552,364	24,098,087	3,454,280
102	CV COMP	91,449.93	110,038.61	-18,588.68
104	LAW LIBR	10,500.00	10,278.66	221.34
105	FAIR	891,638.05	900,465.29	-8,827.24
106	LIVESTOCK	430,000.00	420,513.19	9,486.81
107	ARPA	5,771,036.23	3,220,676.93	2,550,359.30
109	TREAS M&O	35,421.00	15,641.97	19,779.03
112	AUD M & O	99,674.13	92,963.86	6,710.27
114	WSU PUB	38,377.00	34,874.74	3,502.26
115	EMERRES	0.00	0.00	0.00
118	P&T	52,000.00	17,000.00	35,000.00
119	CR	22,440,529.00	16,931,411.46	5,509,117.54
120	VET'S REL	89,940.37	89,241.11	699.26
121	ELEC RES	379,500.00	370,653.98	8,846.02
122	CAPP	1,500,000.00	1,500,000.00	0.00
126	L & J	802,779.00	552,378.77	250,400.23
127	CUMUL RES	5,016.00	3,046.00	1,970.00
128	DRUG	21,807.00	-467.77	22,274.77
130	DD	2,748,417.88	2,536,129.91	212,287.97
131	BHVHLTH	0.00	0.00	0.00
133	BOAT SAFE	32,296.95	2,483.07	29,813.88
144	CW S.W.	800,946.67	802,330.15	-1,383.48
146	PROBATION	150,833.80	142,226.02	8,607.78
147	RISK POOL	703,279.00	693,951.16	9,327.84
152	RET CONT	93,366.00		93,366.00
157	CEERP	541,322.00	526,380.81	14,941.19
158	CO COM DEV	484,092.00	74,623.73	409,468.27
161	LEGAL OBL	2,225.00	743.59	1,481.41
163	BUILD MAIN	500,000.00	118,787.21	381,212.79
164	DV ADVOC	0.00	0.00	0.00
165	COURT IMP	25,000.00	0.00	25,000.00
167	FAIR DRIV	1,000.00	0.00	1,000.00
168	HOMELESS	960,000.00	961,903.16	-1,903.16
169	HIST PRES	40,000.00	18,147.22	21,852.78
170	DV PREVENT	0.00	0.00	0.00
171	HOSTFEES	265,651.00	10,000.00	255,651.00
173	WM SCHOLAR	20,000.00	0.00	20,000.00
174	FAIRRACESP	26,000.00	20,750.00	5,250.00

176	DO CO JAIL	2,000,000.00	253.00	1,999,747.00
177	PEST CONTR	91,672.00	49,190.71	42,481.29
178	TRIALCOURT	0.00	0.00	0.00
179	EREET REVA	70,000.00	0.00	70,000.00
182	DISPUTERES	7,000.00	7,785.00	-785.00
183	COMINV	70,000.00	61,279.59	8,720.41
204	LGO BOND	623,527.50	619,227.50	4,300.00
301	DISTRESS1	352,975.00	352,462.00	513.00
303	CE CAP	774,552.50	502,235.93	272,316.57
311	DISTRESS 2	2,000,000.00	1,772,671.09	227,328.91
314	POSTANNEX	0.00	0.00	0.00
320	MILLERCAP	350,573.00	0.00	350,573.00
321	LANDJ BLDG	866,274.81	43,900.23	822,374.58
403	LUB	2,383,437.00	1,857,350.73	526,086.27
404	SWU	1,617,994.00	533,943.47	1,084,050.53
501	ERR	7,116,648.00	4,619,449.22	2,497,198.78
502	UECOMP	150,000.00	10,920.20	139,079.80
503	MIS	1,182,045.24	1,138,867.49	43,177.75

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 cost. As of December 31, 2023, 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		10,942,540.96	10,942,540.96
L.G.I.P.	51,311,696.37	72,681,909.14	123,993,605.51
US. Government Securities	19,082,606.42	21,986,093.63	41,068,700.05
Money Market and CD's	11,000,000.00		11,000,000.00
Total	81,394,302.79	105,610,543.73	187,004,846.52

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	3,059,379
Cashmere Valley Bank	1,383,171

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, 2023, 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 \$364,844.18. 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 \$21,986,093.63. 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 2023 was \$.9018619625 per \$1,000 on an assessed valuation of \$8,427,253,034 for a total regular levy of \$7,600,219.

The county's levy for road purposes for 2023 was \$1.2283111453 per \$1,000 on an assessed valuation of \$6,248,076,002 for a total county road levy of \$7,674,581.

Note 6. Other Post Employment Benefits (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 152 active plan members and 25 retired plan members as of December 31, 2023. As of December 31, 2023, the County total OPEB liability was \$4,570,949 as calculated using the alternative measurement method. The County contributed \$1,665,792.

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, 2023, the plan had 3 members, all retirees. As of December 31, 2023 the county's total OPEB liability was \$1,647,977 as calculated using the alternative measurement method. For the year ended December 31, 2023 the county paid \$40,295 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 2023 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, 2023, 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	20,061.97	0.002944%	67,203.63
PERS 1 UAAL	475,310.20	0.069752%	1,592,251.22
PERS 2 and 3	\$776,586.29	0.088327%	(3,620,243.73)
Public Safety ERS 2	15,989.57	0.031756%	(33,673.74)
LEOFF 1	0.00	0.006815%	(202,270.84)
LEOFF 2	175,017.44	0.077539%	(1,859,848.90)
VFFRPF	30.00	0.020000%	(3,433.42)

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 provides more details of the outstanding debt and liabilities of the County and summarizes the county's debt transactions for year ended December 31, 2023.

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	
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	720,000	186,873			906,873
2029-2033	1,770,000	633,418			2,403,418
2034-2038	995,000	349,863			1,344,863
2039-2042	965,000	111,150			1,076,150
Total	7,815,000	2,352,346	178,140	1,526	10,347,012

Note 10. Leases

During the year ended December 31, 2023, 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 20 copiers from various vendors and payments ranging from \$76.09 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 2023 was \$83,057. As of December 31, 2023, the future lease payments are as follows:

Year ended December 31	Total
2024	83,009.15
2025	76,398.96
2026	64,316.79
2027	42,538.57
2028	21,694.83
2029-2033	61,160.84
Total	349,119.14

Note 11. Subscription Based Information Technology Arrangements

During the year ended 2023, the Douglas County adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

The County makes annual payments for Microsoft software licensing. The SBITA contract is for 36 months, with the option to renew for 36 months at the end of the term.

In 2023, the County's Engineering Department subscribed for ten (10) seats of AutoCad software, these seats are for three year terms. The County can add seats during the term period but seats cannot be reduced. Payment is based on the number of seats leased. The subscription is paid in full at the beginning of the lease term, additional seats are paid as acquired.

The total amount paid for SBITAs in 2023 was \$103,459. As of December 31, 2023, the future SBITA payments are as follows:

Year ended December 31	Total
2024	88,027.49
Total	88,027.49

Note 12. 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, 2023, 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 2023, 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 2020-21 Fiscal Year, the Pool's SIR was \$2,000,000 and for the Pool's 2021-22 and 2022-23 Fiscal Years, 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 2022-23 Fiscal Year, 15 of the Pool's 25 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 claims for any risk-shared liability. The Pool does not contract with any third-party administrators for claims adjustment or loss prevention services.

During 2022-23, 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 2023, the Pool's SIR for cyber claims was \$500,000 from January 1 through December 31, with Douglas County having no deductible.

Beginning in the 2022-23 Fiscal Year, Douglas County was one of 23 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 more than \$100,000, c). to authorize by two-thirds majority vote commencement of lawsuits in the name of the Pool.

During 2022-23, the WCRP's assets increased to \$69,171,241 while its liabilities also increased to \$44,769,402. The Pool's net position ended at \$25,531,296. 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, 2023, was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Note 13. Interfund Loans

The following table displays interfund loan activity during 2023:

Borrowing Fund	Lending Fund	Balance 1/1/2023	New Loans	Repayments	Balance 12/31/2023
NCW Fair	Real Estate Excise Tax	\$64,818	\$0	\$64,818	\$0
TOTAL		\$64,818	\$0	\$64,818	\$0

Note 14. 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.

**Douglas County
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Limited Gen. Obligation Bonds	12/1/2042	3,565,000	-	120,000	3,445,000
251.11	Limited Gen. Obligation Bonds	12/1/2032	5,085,000	-	715,000	4,370,000
263.87	Public Works Trust fund Loan	6/1/2024	32,470	-	16,234	16,236
263.87	Public Works Trust fund Loan	6/1/2025	173,778	-	57,927	115,851
263.87	Public Works Trust fund Loan	6/1/2027	57,568	-	11,516	46,052
Total General Obligation Debt/Liabilities:			8,913,816	-	920,677	7,993,139
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	COMPENSATED ABSENCES		1,758,233	1,696,339	1,785,032	1,669,540
264.30	Pension Liability		1,915,784	-	256,329	1,659,455
264.40	OPEB		6,681,491	-	2,110,542	4,570,949
263.57	BCC Copier	3/31/2026	10,680	-	3,012	7,668
263.57	DD Copier	7/31/2026	5,838	-	1,569	4,269
263.57	District Crt Copier	10/31/2024	2,877	-	1,569	1,308
263.57	Auditor/Elections Copier	8/31/2027	22,337	-	3,989	18,348
263.57	Prosecutor Copier	6/30/2025	5,572	-	2,080	3,492
263.57	Prosecutor Copier	4/30/2023	2,976	-	2,976	-
263.57	Prosecutor Copier	8/31/2028	-	14,690	490	14,200
263.57	Treasurer Copier	1/31/2024	2,582	-	2,398	184
263.57	WSU Copier	5/31/2025	6,848	-	2,834	4,014
263.57	Fair Copier	7/31/2026	5,957	-	1,489	4,468
263.57	HR Copier	6/30/2027	12,839	-	2,855	9,984
263.57	Superior Court Copier Chambers	10/31/2026	7,262	-	1,895	5,367
263.57	Superior Court Copier Courtroom	9/30/2027	9,275	-	1,919	7,356
263.57	Superior Court Copier Hearing Room	8/31/2028	-	10,452	523	9,929
263.57	OPD Copier	8/31/2027	11,252	-	2,212	9,040
263.57	Coroner Copier	9/30/2027	4,855	-	937	3,918
263.57	Solid Waste Copier	6/30/2028	-	4,565	304	4,261
263.57	Juvenile Copier	2/24/2028	-	7,914	1,348	6,566
263.57	Waterville Postage Machine	11/30/2027	12,979	-	1,013	11,966

**Douglas County
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
263.57	DD Office Space	12/31/2031	146,722	-	15,829	130,893
263.57	Coroner Office Space	12/31/2026	36,000	-	9,000	27,000
263.57	Microsoft Enrollment Agreement	6/30/2025	172,420	-	84,393	88,027
263.57	Postage Machine & Folder TLS	9/5/2024	2,384	-	1,432	952
263.57	Postage Meter TLS	8/1/2023	364	-	364	-
263.57	Plotter TLS	5/1/2021	26,945	-	8,091	18,854
263.57	TLS Copier--RICOH	10/1/2027	50,159	-	10,387	39,772
263.57	TLS Land	8/31/2030	3,500	-	500	3,000
263.57	AutoDesk (CAD)	1/5/2026	-	19,066	19,066	-
263.57	Clerk Copier	3/25/2025	4,353	-	2,042	2,311
Total Revenue and Other (non G.O.) Debt/Liabilities:			10,922,484	1,753,026	4,338,419	8,337,091
Total Liabilities:			19,836,300	1,753,026	5,259,096	16,330,230

Douglas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

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	S23-31101-009, S24-31101-004	55,443	-	55,443	-	1,2,3
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via Wash State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F22-31103-038	14,101	-	14,101	-	1,2,3
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via Wash State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F22-31103-039	12,794	-	12,794	-	1,2,3
Total ALN 16.588:				26,895	-	26,895	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	2,930	2,930	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	STPUS-STBG- 5903(001)	1,384,686	-	1,384,686	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	HSIP-5908(012)	432,699	-	432,699	-	1,2,3

The accompanying notes are an integral part of this schedule.

Douglas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

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 HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	BRS-T090(003)	192,155	-	192,155	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	STBGUM-0002 (877)	41,798	-	41,798	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	HSIP-000S (611)	127,439	-	127,439	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	BROS-2009-- (059)	225,584	-	225,584	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST DOT)	Highway Planning and Construction	20.205	BHOS-2009 (058)	39,254	-	39,254	-	1,2,3
Total ALN 20.205:				2,443,615	-	2,443,615	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	State and Community Highway Safety	20.600	NA	13,802	-	13,802	-	1,2,3

The accompanying notes are an integral part of this schedule.

Douglas County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

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		
				Total Highway Safety Cluster:				
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	-	13,802	-	13,802	-	1,2,3
			3,220,677	3,220,677	-			
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via Wash Parks)	Boating Safety Financial Assistance	97.012	MLW 123-399	10,565	-	10,565	-	1,2,3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Military Dept)	Homeland Security Grant Program	97.067	E22-116, E23- 101, E23-197	72,799	-	72,799	-	1,2,3
Total Federal Awards Expended:				2,623,119	3,223,607	5,846,726	-	

The accompanying notes are an integral part of this schedule.

DOUGLAS COUNTY
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

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 award portion of the program costs. Entire program costs, including the county portion, are more than shown. Such expenditures are recognized following 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.

**CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER
UNIFORM GUIDANCE**

**Douglas County
January 1, 2023 through December 31, 2023**

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: 2023-001	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: Leah Hurd 140 19th St NW East Wenatchee, WA 98802 (509) 888-6595	
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 with grant requirements. Unfortunately, some of the contracts were entered into before this position was filled. This should no longer be an issue.</i>	
Anticipated date to complete the corrective action: Done	

Finding ref number: 2023-002	Finding caption: The County's internal controls were inadequate for ensuring compliance with federal procurement requirements.
Name, address, and telephone of County contact person: Leah Hurd 140 19th St NW East Wenatchee, WA 98802 (509) 888-6595	
Corrective action the auditee plans to take in response to the finding: <i>The County now recognizes the need for phone interviews and sole source public interest findings.</i>	
Anticipated date to complete the corrective action: Done	

ABOUT THE STATE AUDITOR'S OFFICE

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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.

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