From:	TELLERSS@sao.wa.gov
To:	anne_higgins@co.columbia.wa.us
Cc:	Ard, Sherrie (SAO); Carrell, Lisa (SAO); Friesen, Cheryl (SAO); White, Bradley (SAO); Waltman, Ginny (SAO); Waltman, Ginny (SAO); Tellers, Stacie (SAO); Johnson, Alexandra (SAO); Burleson, Debra (SAO); Pagio, Kayley (SAO); Kostick, Niles (SAO); Wolf, Andrew (SAO); Fenton, Crystal (SAO)
Subject:	Response to Client Helpdesk Request 87875
Date:	Friday, October 11, 2019 3:16:41 PM

Your request # 87875 for Columbia County has been resolved.

Your question was:
A new flood control district has been created in Columbia County. It has a separate board which just happens to be the same Commissioners on the County's BOCC. There is question as to whether this entity can be accounted for as a special revenue fund or if it must be accounted for as an agency fund. They are running a special excess levy to collect property taxes to fund this flood control district.

The background information you provided was:
The resolution forming the district indicates it was formed per RCW 86.15.

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Our response is as follows:
Hello,
Per CASH BARS: https://www.sao.wa.gov/bars_cash/reporting/notes-to-financial-statements/note-1-summary-of-significant-accounting-policies/ , Cash governments that create a component unit do no report component units in their C-4 as a special revenue fund.

Component units are any legally separate organization that the government either controls (e.g., because it appoints a voting majority of the board) or holds an ongoing financial interest (e.g., equity interest) or has an ongoing financial responsibility (e.g., government is obligated in some manner for the debts of the organization).

If the County is acting at the accountant and/or treasurer for the component unit, we would expect to see the financial information be reported on the C-5 in a custodial fund as well as a note disclosure describing the component until and the relationship with the County.

Please work with your local audit team on the creation of the new district and evaluation for future audits.
Team Tri-Cities, Ginny Waltman is your Audit Manager, email: waltmang@sao.wa.gov

Thank you for using the HelpDesk!

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If you have additional follow-up questions, please reference this request number when you contact us again. A copy of this response is provided to your audit team to ensure that we are consistent and efficient when working with you.

Sincerely,
Stacie Tellers

Disclaimer: Answers are informational only and are based on the specific circumstances presented. As laws and circumstances change, or additional facts are presented, the answer is subject to change. The information provided by the Washington State Auditor's client helpdesk is not a legal or a binding opinion.

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