

**Klickitat County Levy Audit Follow-up
 Status of Work Completed
 January 26, 2018**

NOTE: Refer to our original levy audit issued in November 2016 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
1	Statutory Maximum Levy Rate for Cities or Towns Annexed to a Fire or Library District	<p>City of Goldendale: 2015 tax year – The Assessor notified the city of an underlevy of \$9,158.41, instead of \$9,257.08 as reported in the levy audit report. The city requested the Assessor correct the levy error in full for the 2018 tax year. It is unclear why the Assessor did not notify the city of the full levy error.</p> <p>2016 tax year – The Assessor correctly calculated the levy limitations.</p> <p>2017 tax year – The Assessor carried forward the district’s highest lawful levy since 1985 incorrectly. She also calculated the statutory maximum rate limit incorrectly. These errors resulted in a underlevy in the amount of \$24,919.27.</p> <p>The Assessor notified the district of a \$22,163.50 under levy. The city requested the Assessor correct the levy error in full for the 2018 tax year.</p> <p>City of Bingen: 2017 tax year – The Assessor did not calculate the city’s statutory maximum levy rate correctly. There was no levy error.</p>	Pending Completion	<p>Yes</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • Copies of the highest lawful levy worksheet, levy certification, and ordinance/resolution forms for the City of Goldendale, for the 2018 tax year. • Copies of any and all correspondence with the city regarding the updated underlevy error amounts. If the district chooses to levy the underlevy amount, documentation should include whether the district chooses to levy over a period of one, two, or three years.

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2	Fire District No. 3	<p>2015 tax year - The Assessor contacted Fire District No. 3 (FD) on December 7, 2017, informing them of the underlevy error. To date, the Assessor has not provided the Department of Revenue (Department) with a response on how the FD wishes to proceed with the levy error correction. The Department interprets the levy error correction statute, RCW 84.52.085, to give the taxing district the option of levying for the underlevy amount.</p> <p>2017 tax year – The Assessor used the highest lawful levy amount as reported on the levy audit. An incorrect prior year’s levy rate was used to calculate the new construction and state assessed property dollar amount, resulting in an incorrect levy limit amount. This did not result in an over or underlevy error.</p>	Pending Completion	<p>Yes</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • Copies of the highest lawful levy worksheet, levy certification, and ordinance/resolution forms for FD, for the 2018 tax year. • Copies of correspondence with FD responding to the question of whether or not the district chooses to levy their underlevy amount. If the district chooses to levy the underlevy amount, documentation should include whether the district chooses to levy over a period of one, two, or three years.
3	County General Levy	<p>2017 tax year – The Assessor carried forward the correct highest lawful levy, as noted in the levy audit report.</p> <p>The Assessor incorrectly applied a limit factor of 100.953 percent to the highest lawful levy and increased the district’s previous year’s levy, without appropriate documentation. This resulted in an overlevy error of \$41,450.51.</p>	Complete	No

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4	County Road Levy	<p>2017 tax year – The Assessor calculated the district’s levy limit correctly.</p> <p>The certification and resolution/ordinance stating the dollar and percentage of increase amounts for the Road levy continue to be on one document.</p> <p>The Assessor has provided guidance regarding levy certification to the Road District officials. The Assessor must continue to work with the taxing district officials in completing their property tax levy documentation. Encourage the district to use the Department’s Levy Certification form, REV 64 0100, and Ordinance/Resolution form, REV 64 0101. Both of these forms can be found on the Department’s website.</p>	Complete	No
5	Timber Assessed Value (TAV)	<p>2017 tax year - The Assessor incorrectly calculated the average assessed value per acre of private forestland. While this did not result in the taxing districts levying an incorrect amount of funds, it caused individual taxpayers to pay more property tax than they should have and an incorrect amount of timber excise tax distribution made to the taxing districts.</p>	Pending Completion	<p>Yes</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • Copies of the 2018 TAV Priority Worksheets, and supporting documents containing the private forestland value and acreage amounts.

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6	Joint Taxing District Certifications	<p>Bickleton School District No. 203: 2016 tax year - The Assessor did not provide any correspondence indicating she has notified the school district of the underlevy errors. (Bond Levy \$2,453, Maintenance and Operations Levy (M&O) \$287)</p> <p>2017 tax year - The Assessor certified different bond and M&O levy rates to the Yakima County Assessor than the ones she applied her county's tax roll. The non-uniform levy rates resulted in an underlevy error of \$26,240 for the the Bond Levy and an overlevy error of \$27,111 for the M&O.</p>	Pending Completion	<p>Yes</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • Copies of any and all correspondence with Bickleton School District No. 203 regarding the underlevy errors, for the 2016 and 2017 tax years. This should include correspondence from the school district stating whether they wish to levy for the underlevy amounts. Because of the timing of the error discovery, the Assessor may correct the 2016 and 2017 underlevy errors for the bond and M&O levies in the 2018 levy calculations for the 2019 tax year. The Department interprets the levy error correction statute, RCW 84.52.085, to give the taxing district the option of levying for the underlevy amount. The corrections may be made over a period of one, two, or three years. • Copies of the 2018 levy calculation worksheets and levy certifications for the bond and M&O levies.

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7	Tax Roll Certification	<p>The Assessor certified the tax roll for real and personal property to the Klickitat County Treasurer for the 2017 tax year on January 23, 2017, after the January 15, 2017, deadline. The letter of certification did not contain the levy rates or tax amounts for any of the taxing districts within the county.</p> <p>The Assessor did not provide the Department with a copy of the abstract of the tax roll, as provided to the Klickitat County Auditor.</p>	Pending Completion	<p>Yes</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • A copy of the certified list of levy rates and tax amounts provided to the Klickitat County Treasurer for the 2018 tax year. • A copy of the abstract of the tax roll provided to the Klickitat County Auditor for the 2018 tax year.

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Recommendation	Topic	Work Completed on Recommendation	Completed / Pending Completion	Future Follow-up?
1	Use the Department's Most Current Version of the Levy Limitation Worksheet	The Assessor used the most current version of the levy limitation worksheet for the 2017 levy rate calculations.	Completed	No
2	Accuracy of Reports	The taxable assessed values, new construction values, and state assessed property values used by the Assessor in her levy calculation worksheets match her Assessed Values, Levy Rates, and Taxes Report for the 2017 tax year.	Completed	No

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Levy Limit Calculation for District: City of Goldendale												
Assmt Taxes	Highest	Limit	Highest	State Assd	Tax Added	Annexed	Tax Added	Levy	Assd	Stat	<input checked="" type="checkbox"/> Annexed to Library?	
Year Due	Lawful Levy	Factor	Lawful plus	New Const	for	Value	for	Limit	Value	Rate	<input type="checkbox"/> Annexed to Fire?	
	Since 1985*		Increase		State Assd		Annex.			Max.	<input type="checkbox"/> Firemen's Pension?	
					New Const						<input type="checkbox"/> Lid Lift?	
2016 2017	996,083.52	1.00000%	1,006,044.36	503,323	1,513.08	0	0.00	1,007,557.44	301,010,416	3.182785399600		
Actual Levy:									Summary of Levy Limits:			
Assmt Taxes	Previous	Lesser of	Previous Yr's	Tax Added	Tax Added	Authorized	Refund	Certified	Limit Per	Levy Limit	Authorized	
Year Due	Year's	Resolution's \$ or %	Levy plus	for	for	Levy by Res.		Budget	Stat. Rate	Plus Refund	Levy By Res.	
	Levy		Increase	State Assd	Annex.				Maximum		Plus Refund	
				New Const								
2016 2017	950,000.00	\$9,500.00	959,500.00	1,513.08	0.00	961,013.08	0.00	1,000,000.00	958,051.56	1,007,557.44	961,013.08	
Assmt Taxes	Current Year's	Levy Correction	Total Levy	Actual	Actual Levy	Correct	Over/Under					
Year Due	Max Levy		w/ Correction	Amount	Rate	Levy Rate	Levy					
				Levied								
2015 2016					3.006187185739							
2016 2017	958,051.56	\$0.00	958,051.56	933,132.29	3.1	3.182785408993	(24,919.27)					

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Levy Limit Calculation for District: Fire District No. 3													
Assmt Taxes	Highest	Limit	Highest	State Assd	Tax Added	Annexed	Tax Added	Levy	Assd	Stat	<input type="checkbox"/>	Annexed to Library?	
Year Due	Lawful Levy	Factor	Lawful plus	New Const	for	Value	for	Limit	Value	Rate	<input type="checkbox"/>	Annexed to Fire?	
	Since 1985*		Increase		State Assd		Annex.			Max.	<input type="checkbox"/>	Firemen's Pension?	
					New Const						<input type="checkbox"/>	Lid Lift?	
2016 2017	409,137.77	1.00000%	413,229.15	12,386,814	11,726.46	0	0.00	424,955.61	454,363,919	1.500000000000			
Actual Levy:							Summary of Levy Limits:						
Assmt Taxes	Previous	Lesser of	Previous Yr's	Tax Added	Tax Added	Authorized	Refund	Certified	Limit Per	Levy Limit	Authorized		
Year Due	Year's	Resolution's \$ or %	Levy plus	for	for	Levy by Res.		Budget	Stat. Rate	Plus Refund	Levy By Res.		
	Levy		Increase	State Assd	Annex.				Maximum		Plus Refund		
				New Const									
2016 2017	406,984.12	\$4,069.84	411,053.96	11,726.46	0.00	422,780.42	0.00	420,647.42	681,545.88	424,955.61	422,780.42		
Assmt Taxes	Current Year's	Levy Correction	Total Levy	Actual	Actual Levy	Correct	Over/Under						
Year Due	Max Levy		w/ Correction	Amount	Rate	Levy Rate	Levy						
				Levied									
2015 2016					.946688731602								
2016 2017	420,647.42	\$0.00	420,647.42	420,647.42	.925794065968	.925794065967	0.00						



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Levy Limit Calculation for District: County General												
Assmt Taxes	Highest	Limit	Highest	State Assd	Tax Added	Annexed	Tax Added	Levy	Assd	Stat	<input type="checkbox"/>	Annexed to Library?
Year Due	Lawful Levy	Factor	Lawful plus	New Const	for	Value	for	Limit	Value	Rate	<input type="checkbox"/>	Annexed to Fire?
	Since 1985*		Increase		State Assd		Annex.			Max.	<input type="checkbox"/>	Firemen's Pension?
					New Const						<input type="checkbox"/>	Lid Lift?
2016 2017	4,538,828.69	0.00000%	4,538,828.69	30,236,764	37,802.89	0	0.00	4,576,631.58	3,452,167,831	1.800000000000		
Actual Levy:							Summary of Levy Limits:					
Assmt Taxes	Previous	Lesser of	Previous Yr's	Tax Added	Tax Added	Authorized	Refund	Certified	Limit Per	Levy Limit	Authorized	
Year Due	Year's	Resolution's \$ or %	Levy plus	for	for	Levy by Res.		Budget	Stat. Rate	Plus Refund	Levy By Res.	
	Levy		Increase	State Assd	Annex.				Maximum		Plus Refund	
				New Const								
2016 2017	4,349,476.66	\$0.00	4,349,476.66	37,802.89	0.00	4,387,279.55	0.00	4,619,021.00	6,213,902.10	4,576,631.58	4,387,279.55	
Assmt Taxes	Current Year's	Levy Correction	Total Levy	Actual	Actual Levy	Correct	Over/Under					
Year Due	Max Levy		w/ Correction	Amount	Rate	Levy Rate	Levy					
				Levied								
2015 2016					1.250229287302							
2016 2017	4,387,279.55	\$0.00	4,387,279.55	4,428,730.06	1.282883763712	1.270876667873	41,450.51					

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Excess Levy Calculation: Bickleton School District No. 203 - Joint with Yakima County											
Ballot Data Type & 1st Year	Budget	Refund	Total Levy	Real & Personal Taxable Value	TAV	Total Value	Levy Rate	Total County AV x Rate	County Levy Rate	County Levy*	Over/Under
Bond	1,435,000	-	1,435,000	441,632,697	599,958	442,232,655	3.244898321676	1,435,000	3.244898319769	1,408,760	(26,240)
M & O	150,000	-	150,000	441,632,697	299,979	441,932,676	0.339418214914	150,000	0.339418214814	177,111	27,111
Calculations based on the Klickitat County Assessed Values, Levy Rates, Taxes Report and the Yakima County Assessed Values, Levy Rates, Taxes Report for the 2017 tax year.											
* Bond - Klickitat County \$1,405,374.73, Yakima County \$3,385.10											
* M&O - Klickitat County \$146,901.18, Yakima County \$30,209.53											