

**Washington State Auditor's Office**  
**Financial Statements and Federal Single Audit Report**

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**Clallam County**

Audit Period  
**January 1, 2009 through December 31, 2009**

**Report No. 1004371**

Issue Date  
**September 30, 2010**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

September 30, 2010

Board of Commissioners  
Clallam County  
Port Angeles, Washington

***Report on Financial Statements and Federal Single Audit***

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

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

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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# Federal Summary

## Clallam County January 1, 2009 through December 31, 2009

The results of our audit of Clallam County are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

### **FINANCIAL STATEMENTS**

An unqualified opinion was issued on the financial statements.

#### **Internal Control Over Financial Reporting:**

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

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

### **FEDERAL AWARDS**

#### **Internal Control Over Major Programs:**

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

We issued an unqualified opinion on the County's compliance with requirements applicable to its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

**Identification of Major Programs:**

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
10.665	Schools and Roads Grants to States
10.666	Schools and Roads Cluster – Schools and Roads Grants to Counties
11.555	Public Safety Interoperable Communications Grant
20.205	ARRA – Highway Planning and Construction (Recovery Act)
20.205	Highway Planning and Construction
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Public Assistance Grants

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$313,555.

The County qualified as a low-risk auditee under OMB Circular A-133.

# Status of Prior Audit Findings

## **Clallam County January 1, 2009 through December 31, 2009**

The status of findings contained in the prior year audit report of Clallam County is provided below:

- 1. Clallam County's internal controls over preparation of its Schedule of Expenditures of Federal Awards are inadequate.**

Financial Statement Audit Report, Report No. 1002291, dated September 30, 2009

### **Background**

County staff, responsible for preparing the Schedule of Expenditures of Federal Awards (SEFA), was not using the same basis of accounting used by the County for preparation of the financial statements.

Further there was not an independent review of the SEFA by a knowledgeable person other than the preparer.

### **Status**

The condition reported during the 2008 audit has been resolved. Management reported expenditures on the 2009 SEFA in accordance with the County's basis of accounting. We noted an additional review being performed separate from the SEFA preparer.

# Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

**Clallam County**  
**January 1, 2009 through December 31, 2009**

Board of Commissioners  
Clallam County  
Port Angeles, Washington

We have audited the financial statements of Clallam County, Washington, as of and for the year ended December 31, 2009, and have issued our report thereon dated September 21, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## ***INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## ***COMPLIANCE AND OTHER MATTERS***

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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.

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**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 21, 2010

# Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

**Clallam County**  
**January 1, 2009 through December 31, 2009**

Board of Commissioners  
Clallam County  
Port Angeles, Washington

## **COMPLIANCE**

We have audited the compliance of Clallam County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2009.

## **INTERNAL CONTROL OVER COMPLIANCE**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large initial "B" and "S".

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 21, 2010

# Independent Auditor's Report on Financial Statements

## Clallam County January 1, 2009 through December 31, 2009

Board of Commissioners  
Clallam County  
Port Angeles, Washington

We have audited the accompanying financial statements of Clallam County, Washington, for the year ended December 31, 2009. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the County prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Clallam County, for the year ended December 31, 2009, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular

A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Long-Term Debt is also presented for purposes of additional as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 21, 2010

# Financial Section

**Clallam County**  
**January 1, 2009 through December 31, 2009**

## ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2009  
Notes to Financial Statements – 2009

## ***SUPPLEMENTAL INFORMATION***

Schedule of Long-Term Debt – 2009  
Schedule of Expenditures of Federal Awards – 2009  
Notes to the Schedule of Expenditures of Federal Awards – 2009

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Total for All Funds	Fund Number and Title	Fund Number and Title	Fund Number and Title
		001 General	101 Roads	101 Flood Control
	Total Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 46,661,688	\$ 13,062,487	\$ 10,098,058	\$ 19,511
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	25,192,282	13,539,768	6,416,779	-
320 Licenses and Permits	771,561	685,660	85,901	-
330 Intergovernmental	21,524,540	5,445,926	9,368,570	-
340 Charges for Goods and Services	4,910,014	3,045,811	208,010	-
350 Fines and Penalties	919,851	824,649	-	-
360 Miscellaneous	9,249,642	4,246,742	364,517	149
370 Capital Contributions	800	-	-	-
390 Other Financing Sources	5,382,596	1,869,416	559,775	10,000
Total Revenues and Other Financing Sources	67,951,286	29,657,972	17,003,552	10,149
Total Resources	114,612,974	42,720,459	27,101,610	29,660
Operating Expenditures				
510 General Government	15,520,905	12,161,397	756,591	-
520 Public Safety	14,123,778	11,282,696	609,056	-
530 Physical Environment	1,842,499	1,157,896	44,567	9,458
540 Transportation	11,279,761	-	9,190,703	-
550 Economic Environment	3,193,545	1,954,939	3,626	-
560 Mental and Physical Health	5,841,853	1,079,949	-	-
570 Culture and Recreation	2,406,044	2,406,044	-	-
Total Operating Expenditures	54,208,385	30,042,921	10,604,543	9,458
591-593 Debt Service	7,488	-	-	-
594-595 Capital Outlay	13,079,986	585,802	7,842,035	-
Total Expenditures	67,295,859	30,628,723	18,446,578	9,458
597-599 Other Financing Uses	3,755,180	625,560	26,601	-
Total Expenditures and Other Financing Uses	71,051,039	31,254,283	18,473,179	9,458
Excess (Deficit) of Resources Over Uses	43,561,935	11,466,176	8,628,431	20,202
380 Nonrevenues	107,694	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	230,295	44,925	1,000	-
508.80 Unreserved	43,439,334	11,421,251	8,627,431	20,202

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	110 Sheriff Honor Guard	110 Recreation and Boating	110 Sheriff's Office Drug	110 Sheriff's OPNET Drug
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 3,842	\$ 47,654	\$ 128,062	\$ 146,683
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	58,603	-	182,138
340 Charges for Goods and Services	-	200	-	-
350 Fines and Penalties	-	187	50	94,815
360 Miscellaneous	-	2,852	1,202	12,513
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	-	61,842	1,252	289,466
Total Resources	3,842	109,496	129,314	436,149
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	46,929	22,278	310,122
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	-	46,929	22,278	310,122
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	5,023
Total Expenditures	-	46,929	22,278	315,145
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	-	46,929	22,278	315,145
Excess (Deficit) of Resources Over Uses	3,842	62,567	107,036	121,004
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	5,000
508.80 Unreserved	3,842	62,567	107,036	116,004

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	110 Sheriff's Equipment Reserve	110 Nine-One- One Enhanced	110 OPSCAN Operations	110 PSIC Grant
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 165,171	\$ 171,573	\$ 134,558	\$ 15,883
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	472,789	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	6,150	10,181	74,776	883,787
340 Charges for Goods and Services	7,500	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	250	4,774	-	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	32,000	-	-	-
Total Revenues and Other Financing Sources	45,900	487,744	74,776	883,787
Total Resources	211,071	659,317	209,334	899,670
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	26,135	525,510	191,089	84,801
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	26,135	525,510	191,089	84,801
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	1,940	-	-	628,121
Total Expenditures	28,075	525,510	191,089	712,922
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	28,075	525,510	191,089	712,922
Excess (Deficit) of Resources Over Uses	182,996	133,807	18,245	186,748
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	182,996	133,807	18,245	186,748

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	113 Health and Human Services	113 Alcohol and Drug Abuse	113 Homeless Task Force	113 Chemical Dependency Mental Health
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 693,789	\$ 105,114	\$ 241,788	\$ 1,882,238
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	1,177	-	-	931,015
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	1,034,072	1,355,421	405,520	121,511
340 Charges for Goods and Services	222,096	83,226	246,069	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	4,863	11,349	-	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	551,000	12,000	-	-
Total Revenues and Other Financing Sources	1,813,208	1,461,996	651,589	1,052,526
Total Resources	2,506,997	1,567,110	893,377	2,934,764
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	644,491	-
560 Mental and Physical Health	1,795,470	1,185,151	-	878,469
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	1,795,470	1,185,151	644,491	878,469
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	-
Total Expenditures	1,795,470	1,185,151	644,491	878,469
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	1,795,470	1,185,151	644,491	878,469
Excess (Deficit) of Resources Over Uses	711,527	381,959	248,886	2,056,295
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	600	87,758	-	-
508.80 Unreserved	710,927	294,201	248,886	2,056,295

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title  113 Affordable Housing  Actual Amount	Fund Number and Title  113 Developmental Disabilities  Actual Amount	Fund Number and Title  114 Law Library  Actual Amount	Fund Number and Title  117 Crime Victim Compensation  Actual Amount
Beginning Net Cash and Investments	\$ 203,522	\$ 481,592	\$ 20,328	\$ 224,099
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	210,812	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	757,050	-	53,384
340 Charges for Goods and Services	79,943	-	23,548	50,318
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	1,633	-	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	12,476	-	-
Total Revenues and Other Financing Sources	79,943	981,971	23,548	103,702
Total Resources	283,465	1,463,563	43,876	327,801
Operating Expenditures				
510 General Government	-	-	35,741	101,935
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	105,022	-	-	-
560 Mental and Physical Health	-	879,510	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	105,022	879,510	35,741	101,935
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	-
Total Expenditures	105,022	879,510	35,741	101,935
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	105,022	879,510	35,741	101,935
Excess (Deficit) of Resources Over Uses	178,443	584,053	8,135	225,866
380 Nonrevenues	67,000	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	90,912	-	-
508.80 Unreserved	245,443	493,141	8,135	225,866

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	119 Racketeering	121 Water Quality Cleanup	121 Shoreline Wetland Restoration	121 Shoreline Block Grant
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 968	\$ 54,009	\$ 16,145	\$ 121,313
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	-
340 Charges for Goods and Services	-	-	-	-
350 Fines and Penalties	150	-	-	-
360 Miscellaneous	57	1,045	111	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	207	1,045	111	-
Total Resources	1,175	55,054	16,256	121,313
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	76	-	-	-
530 Physical Environment	-	5,851	-	11,378
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	76	5,851	-	11,378
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	-
Total Expenditures	76	5,851	-	11,378
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	76	5,851	-	11,378
Excess (Deficit) of Resources Over Uses	1,099	49,203	16,256	109,935
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	1,099	49,203	16,256	109,935

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	122 Treasurer Operation and Maintenance	122 REET Electronic Technology	122 Land Assessment	124 Document Preservation
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 135,467	\$ 131,818	\$ 13,782	\$ 429,417
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	10,151	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	21,793	-	99,036
340 Charges for Goods and Services	20,738	-	-	40,466
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	973	-	38	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	599	-
Total Revenues and Other Financing Sources	21,711	21,793	10,788	139,502
Total Resources	157,178	153,611	24,570	568,919
Operating Expenditures				
510 General Government	19,168	-	9,485	89,536
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	19,168	-	9,485	89,536
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	42,095
Total Expenditures	19,168	-	9,485	131,631
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	19,168	-	9,485	131,631
Excess (Deficit) of Resources Over Uses	138,010	153,611	15,085	437,288
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	138,010	153,611	15,085	437,288

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	129 Drug Court	129 Dispute Resolution Center	129 Courthouse Facilitator	130 Noxious Weed Control
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 12,202	\$ 725	\$ 579	\$ 109,222
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	87,922
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	188,707
340 Charges for Goods and Services	26,950	10,015	8,996	7,839
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	-	-	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	5,000	-	-	-
Total Revenues and Other Financing Sources	31,950	10,015	8,996	284,468
Total Resources	44,152	10,740	9,575	393,690
Operating Expenditures				
510 General Government	-	10,190	8,995	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	215,031
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	23,304	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	23,304	10,190	8,995	215,031
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	-
Total Expenditures	23,304	10,190	8,995	215,031
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	23,304	10,190	8,995	215,031
Excess (Deficit) of Resources Over Uses	20,848	550	580	178,659
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	100
508.80 Unreserved	20,848	550	580	178,559

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	130 LMD #2 Lake Sutherland	135 Probation District Court I	135 Probation District Court II	199 Criminal Justice
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 30,450	\$ 160,930	\$ 17,961	\$ 195,054
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	19,583	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	451,273
340 Charges for Goods and Services	-	301,033	3,241	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	1,205	-	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	19,583	302,238	3,241	451,273
Total Resources	50,033	463,168	21,202	646,327
Operating Expenditures				
510 General Government	-	267,879	1,297	-
520 Public Safety	-	-	-	-
530 Physical Environment	12,834	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	12,834	267,879	1,297	-
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	-
Total Expenditures	12,834	267,879	1,297	-
597-599 Other Financing Uses	-	-	-	400,000
Total Expenditures and Other Financing Uses	12,834	267,879	1,297	400,000
Excess (Deficit) of Resources Over Uses	37,199	195,289	19,905	246,327
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	37,199	195,289	19,905	246,327

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title  199 Local Criminal Justice  Actual Amount	Fund Number and Title  199 Trial Court Improvements  Actual Amount	Fund Number and Title  199 Veteran's Relief  Actual Amount	Fund Number and Title  199 Federal Forest Replacement  Actual Amount
Beginning Net Cash and Investments	\$ 497,419	\$ 45,823	\$ 297,445	\$ 112,689
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	592,030	-	95,393	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	34,024	29,756	8	22,968
340 Charges for Goods and Services	-	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	-	2,390	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	5,614	-
Total Revenues and Other Financing Sources	626,054	29,756	103,405	22,968
Total Resources	1,123,473	75,579	400,850	135,657
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	19,964
540 Transportation	-	-	-	-
550 Economic Environment	-	-	97,866	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	-	-	97,866	19,964
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	112,689
Total Expenditures	-	-	97,866	132,653
597-599 Other Financing Uses	900,000	38,000	-	-
Total Expenditures and Other Financing Uses	900,000	38,000	97,866	132,653
Excess (Deficit) of Resources Over Uses	223,473	37,579	302,984	3,004
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	223,473	37,579	302,984	3,004

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	199 Hotel/Motel Tax	199 Opportunity	199 Community Economic Development	199 Emergency Communication Tax
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 279,608	\$ 1,138,463	\$ 42,251	\$ 447,963
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	365,072	844,934	-	929,817
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	-
340 Charges for Goods and Services	-	10,689	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	17,356	-	2,974
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	365,072	872,979	-	932,791
Total Resources	644,680	2,011,442	42,251	1,380,754
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	1,025,086
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	335,808	51,793	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	335,808	51,793	-	1,025,086
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	-	-	-
Total Expenditures	335,808	51,793	-	1,025,086
597-599 Other Financing Uses	-	15,000	-	-
Total Expenditures and Other Financing Uses	335,808	66,793	-	1,025,086
Excess (Deficit) of Resources Over Uses	308,872	1,944,649	42,251	355,668
380 Nonrevenues	-	40,694	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	308,872	1,985,343	42,251	355,668

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title 251 RID #123	Fund Number and Title 254 RID #142	Fund Number and Title 256 RID #141	Fund Number and Title 259 LMD #1
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 4,754	\$ 845	\$ 3,267	\$ 2,461
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	-
340 Charges for Goods and Services	-	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	1,276	1,257	2,931	1,265
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	1,276	1,257	2,931	1,265
Total Resources	6,030	2,102	6,198	3,726
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	-	-	-	-
591-593 Debt Service	-	846	3,267	2,461
594-595 Capital Outlay	-	-	-	-
Total Expenditures	-	846	3,267	2,461
597-599 Other Financing Uses	6,030	-	-	-
Total Expenditures and Other Financing Uses	6,030	846	3,267	2,461
Excess (Deficit) of Resources Over Uses	-	1,256	2,931	1,265
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	-	1,256	2,931	1,265

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title 261 RID#138	Fund Number and Title 247 RID #149	Fund Number and Title 295 LID #2007-1	Fund Number and Title 301 Real Estate Excise Tax Projects
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 134	\$ 781	\$ 109,543	\$ 2,169,304
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	337,520
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	30,000
340 Charges for Goods and Services	-	-	22,764	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	113	919	-	663
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	113	919	22,764	368,183
Total Resources	247	1,700	132,307	2,537,487
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	-	-	-	-
591-593 Debt Service	133	781	-	-
594-595 Capital Outlay	-	-	121,745	1,151,434
Total Expenditures	133	781	121,745	1,151,434
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	133	781	121,745	1,151,434
Excess (Deficit) of Resources Over Uses	114	919	10,562	1,386,053
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	114	919	10,562	1,386,053

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	302 Real Estate Excise Tax 2	305 Capital Projects	305 East UGA Sewer	306 Dungeness Estuary
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 2,164,024	\$ 4,253,721	\$ 464,618	\$ 434
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	337,520	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	890,617
340 Charges for Goods and Services	-	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	-	-	-
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	-	670,000	-	1,053,330
Total Revenues and Other Financing Sources	337,520	670,000	-	1,943,947
Total Resources	2,501,544	4,923,721	464,618	1,944,381
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	-	-	-	-
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	-	551,953	167,375	1,047,785
Total Expenditures	-	551,953	167,375	1,047,785
597-599 Other Financing Uses	-	1,055,860	-	670,000
Total Expenditures and Other Financing Uses	-	1,607,813	167,375	1,717,785
Excess (Deficit) of Resources Over Uses	2,501,544	3,315,908	297,243	226,596
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	2,501,544	3,315,908	297,243	226,596

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title  307 Capital Projects Info Tech	Fund Number and Title  402 Solid Waste	Fund Number and Title  414 Clallam Bay - Sekiu Sewer	Fund Number and Title  415 Sewer Capital Replacement
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments	\$ 1,370,856	\$ 13,013	\$ 227,876	\$ 308,384
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	16,879	(17,610)	-
340 Charges for Goods and Services	-	-	24,745	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	99	248,924	1,624
370 Capital Contributions	-	-	-	800
390 Other Financing Sources	-	15,560	18,129	-
Total Revenues and Other Financing Sources	-	32,538	274,188	2,424
Total Resources	1,370,856	45,551	502,064	310,808
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	39,392	326,128	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	-	39,392	326,128	-
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	458,971	-	18,128	-
Total Expenditures	458,971	39,392	344,256	-
597-599 Other Financing Uses	-	-	-	18,129
Total Expenditures and Other Financing Uses	458,971	39,392	344,256	18,129
Excess (Deficit) of Resources Over Uses	911,885	6,159	157,808	292,679
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	911,885	6,159	157,808	292,679

The accompanying notes are an integral part of these financial statements.

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year ended December 31, 2009

BARS CODE	Fund Number and Title 503 Equipment Rental and Revolving Actual Amount	Fund Number and Title 504 Risk Management Actual Amount	Fund Number and Title 505 Workers' Compensation Claims Actual Amount	Fund Number and Title 506 Employee Health Care Benefit Actual Amount
Beginning Net Cash and Investments	\$ 2,467,170	\$ 847,806	\$ 78,427	\$ 36,615
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	-
340 Charges for Goods and Services	464,717	1,100	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	2,447,471	1,158,995	680,187	26,925
370 Capital Contributions	-	-	-	-
390 Other Financing Sources	67,697	-	500,000	-
Total Revenues and Other Financing Sources	2,979,885	1,160,095	1,180,187	26,925
Total Resources	5,447,055	2,007,901	1,258,614	63,540
Operating Expenditures				
510 General Government	21,964	1,146,633	860,404	29,690
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	2,089,058	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	2,111,022	1,146,633	860,404	29,690
591-593 Debt Service	-	-	-	-
594-595 Capital Outlay	344,890	-	-	-
Total Expenditures	2,455,912	1,146,633	860,404	29,690
597-599 Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	2,455,912	1,146,633	860,404	29,690
Excess (Deficit) of Resources Over Uses	2,991,143	861,268	398,210	33,850
380 Nonrevenues	-	-	-	-
580 Nonexpenditures	-	-	-	-
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	2,991,143	861,268	398,210	33,850

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Total for All Funds	Fund Number and Title	Actual Amount								
Beginning Cash and Investments	\$ 45,165,902	\$ 21,345	\$ 1,369,468	\$ 1,343,000	\$ 20,215	\$ 156,735	\$ 17,053				
Prior Period Adjustments	-	-	-	-	-	-	-				
Revenues and Other Financing Sources	189,204,344	19,689	-	-	6,182	49,477	4,457				
Total Resources	234,370,246	41,034	1,369,468	1,343,000	26,397	206,212	21,510				
Expenditures and Other Financing Uses	152,370,697	7,088	500,000	-	-	56,080	-				
Excess (Deficit) of Resources Over Uses	81,999,549	33,946	869,468	1,343,000	26,397	150,132	21,510				
Nonrevenues	104,380,905	-	-	-	-	-	-				
Nonexpenditures	131,898,273	-	-	-	-	-	-				
Ending Cash and Investments	54,482,181	33,946	869,468	1,343,000	26,397	150,132	21,510				

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount				
Beginning Cash and Investments	640 North Olympic Library	\$ 4,279,936	641 Community Network	\$ 6,103	644 Claims	\$ 1,661,203	645 Payroll	\$ (159,014)	651 Fire 1 Operation and Maintenance	\$ 1,035,909	651 Fire 2 Operation and Maintenance	\$ 432,825	651 Fire 2 Reserve	\$ 527,426
Prior Period Adjustments		-		-		-		-		-		-		-
Revenues and Other Financing Sources		3,258,430		53,683		-		-		146,011		727,632		10,228
Total Resources		7,538,366		59,786		1,661,203		(159,014)		1,181,920		1,160,457		537,654
Expenditures and Other Financing Uses		3,489,754		57,485		-		-		153,282		664,386		-
Excess (Deficit) of Resources Over Uses		4,048,612		2,301		1,661,203		(159,014)		1,028,638		496,071		537,654
Nonrevenues		-		-		61,235,725		37,338,355		-		-		-
Nonexpenditures		-		-		62,033,910		37,349,404		-		-		-
Ending Cash and Investments		4,048,612		2,301		863,018		(170,063)		1,028,638		496,071		537,654

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount		
Beginning Cash and Investments	651 Fire 3 Operation and Maintenance	\$ 3,215,773	651 Fire 3 EMS	\$ 449,511	651 Fire 5 Operation and Maintenance	\$ 104,237	651 Fire 5 Reserve	\$ 12,269	651 Fire 6 Operation and Maintenance	\$ 285,691	651 Fire 6 Bond	\$ (3,672)
Prior Period Adjustments		-		-		-		-		-		-
Revenues and Other Financing Sources		5,116,195		3,001,134		152,186		85		22,303		3,672
Total Resources		8,331,968		3,450,645		256,423		12,354		307,994		-
Expenditures and Other Financing Uses		5,933,192		2,585,512		240,574		-		51,257		-
Excess (Deficit) of Resources Over Uses		2,398,776		865,133		15,849		12,354		256,737		-
Nonrevenues		-		-		-		-		-		-
Nonexpenditures		-		-		-		-		-		-
Ending Cash and Investments		2,398,776		865,133		15,849		12,354		256,737		-

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount		
Beginning Cash and Investments	651 Fire 4 Operation and Maintenance	\$ 629,364	668 Quillayute Valley Park and Rec Operations	\$ 3,386	668 Quillayute Valley Park and Rec Capital	\$ 133,739	668 Quillayute Valley Park and Rec Bonds	\$ 595,008	668 Park and Rec District 1 Reserve	\$ 75,000	668 Park and Rec District 1 Construction	\$ 332,107
Prior Period Adjustments		-		-		-		-		-		-
Revenues and Other Financing Sources		203,587		20,162		931		299,592		3,260		7,220
Total Resources		832,951		23,548		134,670		894,600		78,260		339,327
Expenditures and Other Financing Uses		225,885		15,401		1,975		230,544		-		81,347
Excess (Deficit) of Resources Over Uses		607,066		8,147		132,695		664,056		78,260		257,980
Nonrevenues		-		-		-		-		-		-
Nonexpenditures		-		-		-		-		-		-
Ending Cash and Investments		607,066		8,147		132,695		664,056		78,260		257,980

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount				
Beginning Cash and Investments	668 William Shore Memorial Pool District	\$ -	671 Agnew Irrigation Maintenance	\$ 76,474	671 Agnew Irrigation Loan Activity	\$ 5,587	671 Claine Irrigation Maintenance	\$ 3,693	671 Claine Irrigation Reserve	\$ 30,196	671 Dungeness Irrigation Maintenance	\$ 40,802	671 Highland Irrigation Maintenance	\$ 105,791
Prior Period Adjustments		-		-		-		-		-		-		-
Revenues and Other Financing Sources		4,855		239,740		23,608		47,380		7,207		34,785		76,254
Total Resources		4,855		316,214		29,195		51,073		37,403		75,587		182,045
Expenditures and Other Financing Uses		202,673		194,599		29,190		50,819		27,238		23,954		68,458
Excess (Deficit) of Resources Over Uses		(197,818)		121,615		5		254		10,165		51,633		113,587
Nonrevenues		-		-		-		-		-		-		-
Nonexpenditures		-		-		-		-		-		-		-
Ending Cash and Investments		(197,818)		121,615		5		254		10,165		51,633		113,587

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount				
Beginning Cash and Investments	671 Highland Irrigation Loan Activity	\$ 19,281	671 Highland Irrigation Reserve	\$ 83,873	677 Black Diamond Water Operations	\$ 24,855	677 Black Diamond Water Capital	\$ 54,965	677 Black Diamond Water Bond	\$ 2,829	677 Sunland Water District Operations	\$ 182,323	681 SD 121 General	\$ 4,655,300
Prior Period Adjustments		-		-		-		-		-		-		-
Revenues and Other Financing Sources		14,512		4,878		248,963		93,151		8		751,582		39,232,747
Total Resources		33,793		88,751		273,818		148,116		2,837		933,905		43,888,047
Expenditures and Other Financing Uses		14,097		-		266,989		87,000		-		703,612		39,877,516
Excess (Deficit) of Resources Over Uses		19,696		88,751		6,829		61,116		2,837		230,293		4,010,531
Nonrevenues		-		-		-		-		-		-		1,244,404
Nonexpenditures		-		-		-		-		-		-		-
Ending Cash and Investments		19,696		88,751		6,829		61,116		2,837		230,293		5,254,935

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	681 SD 121 ASB	681 SD 121 Capital Projects	681 SD 121 Bond	681 SD 121 Transportation	681 SD 313 General	681 SD 313 ASB	681 SD 313 Capital Projects	Actual Amount	Actual Amount
Beginning Cash and Investments	\$ 366,391	\$ 1,215,648	\$ 1,334,878	\$ 333,312	\$ 1,081,476	\$ 31,165	\$ 256,045		
Prior Period Adjustments	-	-	-	-	-	-	-		
Revenues and Other Financing Sources	4,402	274,785	1,266,832	244,358	2,903,887	240	55,368		
Total Resources	370,793	1,490,433	2,601,710	577,670	3,985,363	31,405	311,413		
Expenditures and Other Financing Uses	326,593	85,316	1,275,051	281,941	3,052,331	60,661	-		
Excess (Deficit) of Resources Over Uses	44,200	1,405,117	1,326,659	295,729	933,032	(29,256)	311,413		
Nonrevenues	292,786	3,000	-	-	62,102	68,142	-		
Nonexpenditures	-	-	-	-	-	-	-		
Ending Cash and Investments	336,986	1,408,117	1,326,659	295,729	995,134	38,886	311,413		

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	681 SD 313 Transportation	681 SD 323 General	681 SD 323 ASB	681 SD 323 Capital Projects	681 SD 323 Bond	681 SD 323 Transportation	681 SD 401 General		
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$ 270,569	\$ 2,762,805	\$ 249,748	\$ 224,844	\$ 706,566	\$ 182,137	\$ 1,224,172		
Prior Period Adjustments	-	-	-	-	-	-	-		
Revenues and Other Financing Sources	38,941	23,459,343	1,550	1,251	2,249,350	176,695	8,345,055		
Total Resources	309,510	26,222,148	251,298	226,095	2,955,916	358,832	9,569,227		
Expenditures and Other Financing Uses	(606)	24,248,444	446,097	96,751	2,572,926	186,328	7,337,889		
Excess (Deficit) of Resources Over Uses	310,116	1,973,704	(194,799)	129,344	382,990	172,504	2,231,338		
Nonrevenues	-	1,013,315	416,960	-	-	-	203,456		
Nonexpenditures	-	-	-	-	-	-	-		
Ending Cash and Investments	310,116	2,987,019	222,161	129,344	382,990	172,504	2,434,794		

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	681 SD 401 ASB	681 SD 401 Capital Projects	681 SD 401 Bond	681 SD 401 Transportation	681 SD 402 General	681 SD 402 ASB	681 SD 402 Capital Projects		
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$ 73,301	\$ 228,655	\$ 425,766	\$ 90,590	\$ 1,427,318	\$ 123,810	\$ 114,543		
Prior Period Adjustments	-	-	-	-	-	-	-		
Revenues and Other Financing Sources	497	313,149	385,583	54,865	22,185,215	830	11,563,991		
Total Resources	73,798	541,804	811,349	145,455	23,612,533	124,640	11,678,534		
Expenditures and Other Financing Uses	72,504	1,919,001	347,024	-	21,652,114	144,133	602,230		
Excess (Deficit) of Resources Over Uses	1,294	(1,377,197)	464,325	145,455	1,960,419	(19,493)	11,076,304		
Nonrevenues	75,287	1,397,703	-	-	701,798	155,476	168,937		
Nonexpenditures	-	-	-	-	-	-	-		
Ending Cash and Investments	76,581	20,506	464,325	145,455	2,662,217	135,983	11,245,241		

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title			
681 SD 402 Bond	681 SD 402	681 SD 402	681 SD 402	686 City of Port Angeles	686 City of Sequim	City of Forks	687 Port General		
	Transportation	Expendable Trust							
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$ 449,739	\$ 255,073	\$ 7,973	\$ 67,819	\$ 22,884	\$ 2,079	\$ 14,407		
Prior Period Adjustments	-	-	-	-	-	-	-		
Revenues and Other Financing Sources	660,394	92,576	-	5,597,220	1,389,284	331,345	38,188		
Total Resources	1,110,133	347,649	7,973	5,665,039	1,412,168	333,424	52,595		
Expenditures and Other Financing Uses	579,678	-	7,586	-	-	-	-		
Excess (Deficit) of Resources Over Uses	530,455	347,649	387	5,665,039	1,412,168	333,424	52,595		
Nonrevenues	-	-	6,834	-	-	-	-		
Nonexpenditures	-	-	-	5,592,017	1,385,685	328,918	30,552		
Ending Cash and Investments	530,455	347,649	7,221	73,022	26,483	4,506	22,043		

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount		
Beginning Cash and Investments	68702 Port Capital Improvement	\$ 21,129	690 Deposit Fund	\$ 200	690 Sale of County Property	\$ 50,783	690 Private Timber Harvest Tax	\$ 353,056	690 Surplus Tax Sale	\$ 923	690 Tax Refund	\$ 53,698
Prior Period Adjustments		-		-		-		-		-		-
Revenues and Other Financing Sources		1,371,725		-		(50,783)		(353,056)		107,020		875
Total Resources		1,392,854		200		-		-		107,943		54,573
Expenditures and Other Financing Uses		-		-		-		-		-		-
Excess (Deficit) of Resources Over Uses		1,392,854		200		-		-		107,943		54,573
Nonrevenues		-		-		-		-		-		-
Nonexpenditures		1,377,626		-		-		-		-		-
Ending Cash and Investments		15,228		200		-		-		107,943		54,573

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
690 Advanced Tax	690 Advanced Tax	690 Real Estate Tax Suspense	691 State Document Preservation	691 State Auditor Surcharge	691 state Mortgage Lending Fraud	691 State Community Development	691 State Housing Trust			
Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
\$ 18,297	\$ 7,963	\$ 2,118	\$ 4,236	\$ 248	\$ 81	\$ 7,528				
Beginning Cash and Investments	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-
Revenues and Other Financing Sources	-	114,599	34,204	68,499	3,924	1,740	161,300			
Total Resources	18,297	122,562	36,322	72,735	4,172	1,821	168,828			
Expenditures and Other Financing Uses	-	-	-	-	-	-	-			
Excess (Deficit) of Resources Over Uses	18,297	122,562	36,322	72,735	4,172	1,821	168,828			
Nonrevenues	(3,375)	-	-	-	-	-	-			
Nonexpenditures	-	-	33,890	67,867	3,904	1,682	152,132			
Ending Cash and Investments	14,922	122,562	2,432	4,868	268	139	16,696			

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
691 State District Court	691 State Fire Patrol	691 State General Schools	691 State Juvenile Judicial Info System	691 State Judicial Info System	691 State Marriages	691 State Superior Court			
Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
\$ 53,651	\$ 3,776	\$ 514,084	\$ 2,215	\$ 2,261	\$ 569	\$ 11,165			
Beginning Cash and Investments									
Prior Period Adjustments	-	-	-	-	-	-	-	-	-
Revenues and Other Financing Sources	814,686	19,033,522	36,267	36,859	5,940	178,073			
Total Resources	868,337	19,547,606	38,482	39,120	6,509	189,238			
Expenditures and Other Financing Uses	-	-	-	-	-	-			
Excess (Deficit) of Resources Over Uses	868,337	19,547,606	38,482	39,120	6,509	189,238			
Nonrevenues	-	-	-	-	-	-			
Nonexpenditures	815,887	19,115,171	36,379	36,761	6,134	174,132			
Ending Cash and Investments	52,450	432,435	2,103	2,359	375	15,106			

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount				
Beginning Cash and Investments	691 State Survey	\$ 1,190	691 State Vital Statistics	\$ 7,803	691 State School Safety Zone	\$ 64	695 Hospital #1 General	\$ 1,785,519	695 Hospital #1 Funded Depreciation	\$ 513,874	695 Hospital #1 Donation	\$ 217,465	695 Hospital #1 Emergency Medical Service	\$ 159,415
Prior Period Adjustments		-		-		-		-		-		-		-
Revenues and Other Financing Sources		11,028		78,679		7,461		23,328,234		3,564		3,497		155,521
Total Resources		12,218		86,482		7,525		25,113,753		517,438		220,962		314,936
Expenditures and Other Financing Uses		-		-		-		22,951,740		-		-		250,000
Excess (Deficit) of Resources Over Uses		12,218		86,482		7,525		2,162,013		517,438		220,962		64,936
Nonrevenues		-		-		-		-		-		-		-
Nonexpenditures		11,192		84,564		6,692		-		-		-		-
Ending Cash and Investments		1,026		1,918		833		2,162,013		517,438		220,962		64,936

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount				
Beginning Cash and Investments	695 Hospital #1 Rural Hospital Administration	\$ 97,225	695 Hospital #1 Bond	\$ 1,067,128	695 Hospital #1 Employee Education	\$ 3,973	695 Hospital #1 Projects	\$ 3,339,976	695 Hospital #2 General	\$ 13,850	697 Franchise Suspense	\$ 31,285	697 Retainage Suspense	\$ 158,373
Prior Period Adjustments		-		-		-		-		-		-		-
Revenues and Other Financing Sources		-		125,466		-		47,365		3,672,578			755	(39,602)
Total Resources		97,225		1,192,594		3,973		3,387,341		3,686,428			32,040	118,771
Expenditures and Other Financing Uses		-		417,091		-		2,391,542		3,644,218			-	-
Excess (Deficit) of Resources Over Uses		97,225		775,503		3,973		995,799		42,210			32,040	118,771
Nonrevenues		-		-		-		-		-			-	-
Nonexpenditures		-		-		-		-		-			-	-
Ending Cash and Investments		97,225		775,503		3,973		995,799		42,210			32,040	118,771

The accompanying notes are an integral part of these financial statements.

Clallam County  
 Fiduciary Fund Resources and Uses Arising from Cash Transactions  
 For the Year Ended December 31, 2009

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	697 Treasurer General suspense	697 Bruch and Bruch Suspense	697 Western Cable Suspense	697 Heart of the Hills Water Suspense	697 Chatfield Trust	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$ (86,142)	\$ 162	\$ 13,983	\$ 17,640	\$ 11,250	
Prior Period Adjustments	-	-	-	-	-	-
Revenues and Other Financing Sources	(14,127)	-	291	565	535	
Total Resources	(100,269)	162	14,274	18,205	11,785	
Expenditures and Other Financing Uses	-	-	-	-	-	-
Excess (Deficit) of Resources Over Uses	(100,269)	162	14,274	18,205	11,785	
Nonrevenues	-	-	-	-	-	-
Nonexpenditures	-	-	-	-	-	-
Ending Cash and Investments	(100,269)	162	14,274	18,205	11,785	

The accompanying notes are an integral part of these financial statements.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clallam County reports financial activity using the revenue and expenditure classification, statements, and schedules contained in the Cash Basis Budgeting, Accounting, and Reporting System (BARS) manual. The Washington State Auditor's Office allows local governments to report on cash basis of accounting as an alternative to generally accepted accounting principles (GAAP) as described in a letter issued on July 5, 2007. Clallam County has elected to report on cash basis of accounting.

Clallam County was incorporated on April 26, 1854 and operates under State of Washington laws applicable to a Home Rule Charter County. The county is a general purpose government and provides Sheriff, Jail, Fire Marshall, Sewage Collection/Treatment, Road Maintenance, Planning and Zoning, Parks, Fair, Judicial Administration, Health and Social Services, Juvenile, and General Administrative Services.

The county's financial statements include the financial position and operating results for all funds controlled by or dependent on the county. Additionally, the financial statements include all fund accounts for which the county has a custodial or trust responsibility. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Control by the county was determined by the county's obligation to redeem the organization's deficits, and the extent to which subsidies from the county constitute a major portion of the organization's total non-grant resources. Applying these criteria, no component units were identified for presentation in the financial statements.

A. Basis of Presentation - Fund Accounting

The county accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for using a separate set of self-balancing accounts that comprise its cash and cash equivalents, fund equity, revenues and expenditures, as appropriate. The county's resources are allocated to and accounted for in individual funds depending on what they are to be spent for and how they are controlled.

Fund types and account groups used are described as follows:

Governmental Fund Types

All governmental funds are accounted for on cash basis of accounting in which only cash, cash equivalents, and fund balances are included on their balance sheets. Governmental fund operating statements focus on measuring changes in financial position. They present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in cash and cash equivalents. The unreserved fund balance is a measure of resources immediately available for use.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

General Fund (00100)

The county's general operating fund accounts for all financial resources and transactions except those required to be accounted for in another fund.

Special Revenue Funds (10000)

Account for revenues derived from specific taxes, grants, or other sources that are designated to finance particular county activities by agreements or state statutes.

Debt Service Funds (20000)

Account for the accumulation of resources to pay principal, interest and associated general long-term debt costs.

Capital Project Funds (30000)

Account for financial resources designated for the acquisition or construction of general government capital improvements.

Proprietary Fund Types

Enterprise Funds (40000)

Enterprise Funds account for operations that provide goods or services to the general public and are supported primarily through user charges; or for which the applicable governing body has decided that periodic determination of net income is needed.

Internal Service Funds (50000)

These funds account for operations that provide goods or services to other county departments and funds or to other governmental units on a cost-reimbursement basis.

Fiduciary Fund Types

Assets held by the county on behalf of individuals, private organizations, other governments, and other funds are reported as Fiduciary Funds. Different categories of Fiduciary fund types are described below. The county does not necessarily have funds of each type.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

Nonexpendable Trust Funds (60100-61000)

Earn revenue on behalf of the parties for which the trust was established, but the trust principal (or corpus) must remain intact. These funds are accounted for in essentially the same manner as proprietary funds, since capital maintenance is a primary consideration.

Pension Trust Funds (61100-62000)

Used to account for the operations of trusts established for employee retirement benefits, and are accounted for in essentially the same manner as proprietary funds due to the need to determine periodic trust income.

Expendable Trust Funds (62100-63000)

Earn revenue and make expenditures on behalf of parties for which a trust was established. All trust income and principal (or corpus) may be disbursed in the course of its operations. Accordingly, these trusts are accounted for in essentially the same manner as governmental funds.

Agency Funds (63100-69900)

Are custodial in nature (assets equal liabilities) and do not involve operating results measurement.

B. Basis of Accounting

Basis of Accounting determines when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets or allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principals generally accepted in the United States of America.

C. Budgets and Budgetary Accounting

1. Annual appropriated budgets are adopted for governmental funds on cash basis of accounting with no significant differences between the budgetary basis and the accounting basis. The financial statements include budgetary comparisons for those funds. Budgets are adopted at the fund level, or the department level in the

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

general fund, which constitute the legal authority for expenditures at that level. Appropriations lapse at year end.

2. Procedures for Adopting the Original Budget

The county's budget procedures are per Clallam County Charter Chapter 5.16 as mandated by CCC Article IX and RCW 36.40. The steps in the budget process are as follows:

- a. The County Commissioners request preliminary budget information from the various funds and departments.
- b. The County Commissioner's office prepares the Preliminary Budget from the information received from the funds and departments.
- c. The Administrator gives recommendations to the County Commissioners that balance the budget.
- d. The County Commissioners review the budget, submit it to the public for comment through a series of public meetings, approve any necessary changes, and adopt it by resolution.

3. Amending the Budget

The County Administrator is authorized to transfer budget amounts between departments within any fund/department. However, any revisions that alter the total expenditures of the county, amount of capital purchases, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County Commissioners. Revisions within funds are allowed, but supplemental or additional appropriations must be approved by the legislative authority following public hearings. The county's budget was amended 150 times during 2009.

4. Encumbrances - The County does not employ encumbrance accounting.

5. The appropriated and actual expenditures for the legally adopted budgets were:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
GENERAL FUND			
ASSESSOR	1,546,267	1,417,415	128,852
AUDITOR	1,005,536	973,092	32,444
TREASURER	518,725	470,445	48,280

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
BOCC OPERATIONS	600,217	581,189	19,028
BOUNDARY REVIEW BOARD	11,619	1,544	10,075
PORT CRESCENT CEMETERY	1,500	0	1,500
BOARD OF EQUALIZATION	52,738	41,729	11,009
NON-DEPARTMENTAL	2,660,301	2,303,999	356,302
OPERATING TRANSFERS OUT	625,560	625,560	0
DCD ADMINISTRATION	415,874	400,854	15,020
DCD ENVIRONMENTAL QUALITY	1,104,426	893,498	210,928
DCD BUILDING	388,069	358,043	30,026
DCD PLANNING	1,121,872	958,025	163,847
DCD PERMIT CENTER	214,581	211,617	2,964
HEARING EXAMINER	71,585	70,018	1,567
IT	1,356,185	1,182,877	173,308
HUMAN RESOURCEAS	802,779	600,507	202,272
ENVIRONMENTAL HEALTH	1,341,299	1,142,944	198,355
PARKS AND FACILITIES	2,017,801	1,920,894	96,907
FAIR	389,644	362,876	26,768
SHERIFF OPERATIONS	4,739,316	4,687,298	52,018
SHERIFF COMMUNITY PROJECTS	172,102	140,384	31,718
ANIMAL CONTROL	193,608	180,324	13,284
SEARCH & RESCUE	34,150	33,328	822
JAIL	3,177,453	3,021,996	155,457
JAIL MEDICAL	489,483	432,503	56,980
PROSECUTING ATTORNEY	1,796,761	1,627,608	169,153
CHILD SUPPORT	216,235	203,048	13,187
CORONER	118,661	117,131	1,530
JUVENILE SERVICES	3,164,670	3,071,614	93,056
SUPERIOR COURT	1,385,543	1,363,825	21,718
DISTRICT COURT I	803,724	776,779	26,945
DISTRICT COURT II	378,150	354,401	23,749
CLERK	620,617	604,643	15,974
WSU EXTENSION	123,179	122,275	904
TOTAL GENERAL FUND	33,660,230	31,254,283	2,405,947
ROADS	18,509,937	18,473,176	36,761
FLOOD CONTROL	15,930	9,458	6,472
SHERIFF'S HONOR GUARD DONATI	5,000	0	5,000
RECREATIONAL AND BOATING FUND	73,703	46,929	26,774
SHERIFF'S OFFICE DRUG FUND	26,450	22,277	4,173
SHERIFF'S OPNET DRUG FUND	525,517	315,145	210,372
SHERIFF'S EQUIPMENT RESERVE	201,521	28,074	173,447
NINE-ONE-ONE ENHANCED	526,000	525,510	490
OPSCAN OPERATIONS	250,250	191,089	59,161
SHERIFF'S PSIC GRANT	7,250,882	712,922	6,537,960
SEIC GRANT	113,300	0	113,300

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Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
INTEROPERABILITY GRANT	0	0	0
HEALTH & HUMAN SERVICES	2,047,581	1,795,469	252,112
ALCOHOL/DRUG ABUSE	1,545,619	1,185,152	360,467
HOMELESS TASK FORCE	664,686	644,490	20,196
CHEMICAL DEPENDENCY	1,942,022	878,469	1,063,553
AFFORDABLE HOUSING	150,000	105,021	44,979
DEVELOPMENTAL DISABILITIES	1,101,357	879,510	221,847
LAW LIBRARY	43,373	35,741	7,632
CRIME VICTIM COMP/LOCAL	108,417	101,933	6,484
RACKETEERING FUND	584	76	508
WATER QUALITY CLEANUP	10,000	5,850	4,150
SHORELINE/WETLAND/RESTORATIO	0	0	0
SHORELINE BLOCK GRANT	46,423	11,378	35,045
TREASURER'S O & M	24,502	19,168	5,334
REET ELECTRONIC TECHNOLOGY	0	0	0
LAND ASSESSMENT	11,003	9,485	1,518
DOCUMENT PRESERVATION	160,524	131,631	28,893
DRUG COURT	31,778	23,305	8,473
DISPUTE RESOLUTION CENTER	17,400	10,190	7,210
COURTHOUSE FACILITATOR	13,000	8,995	4,005
NOXIOUS WEED CONTROL	235,862	215,031	20,831
LMD#2 LAKE SUTHERLAND	32,675	12,834	19,841
PROBATION DISTRICT COURT I	360,168	267,879	92,289
PROBATION DISTRICT COURT II	2,193	1,298	895
CRIMINAL JUSTICE	400,000	400,000	0
LOCAL CRIMINAL JUSTICE	900,000	900,000	0
TRIAL COURT IMPROVEMENTS	38,000	38,000	0
VETERANS' RELIEF	107,713	97,867	9,846
FEDERAL FOREST REPLACEMENT	132,653	132,653	0
HOTEL/MOTEL TAX	339,752	335,809	3,943
OPPORTUNITY FUND	73,194	66,794	6,400
COMMUNITY ECONOMIC REVITALIZ	48,643	0	48,643
EMERGENCY COMMUNICATIONS TAX	1,229,820	1,025,086	204,734
R I D #123 ELK VALLEY	7,318	6,030	1,288
R I D #142 BUSINESS PARK LOOP	1,766	845	921
R I D #141 SCHOOL HOUSE ROAD	3,267	3,267	0
LAKE DAWN MANAGEMENT	2,486	2,461	25
R I D #138 MARCH BANKS ROAD	258	134	124
R I D #149 OSBORN ROAD	1,591	781	810
LID 2007-01	162,569	121,745	40,824
REAL ESTATE EXCISE TAX PROJECT	1,155,000	1,151,434	3,566
REAL ESTATE EXCISE TAX 2	150,000	0	150,000
CAPITAL PROJECTS	3,216,500	1,607,813	1,608,687
EAST UGA SEWER PROJECT	215,000	167,375	47,625
CAPITAL PROJECTS DUNGENESS	2,100,000	1,717,785	382,215

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Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
CAPITAL PROJECTS INFO TECH	546,500	5458,971	87,529
SOLID WASTE	52,998	39,391	13,607
CLALLAM BAY-SEKIU SEWER	358,005	344,257	13,748
CL BAY-SEKIU SEWER CAPITAL R	27,996	18,129	9,867
EQUIPMENT RENTAL & REVOLVING	3,493,143	2,455,912	1,037,231
RISK MANAGEMENT	1,610,457	1,146,633	463,824
WORKERS' COMPENSATION CLAIMS	1,058,786	860,404	198,382
EMPLOYEE HEALTH CARE BENEFIT	51,925	29,689	22,236

D. Cash

It is the county's policy to invest all temporary cash surpluses. At December 31, 2009, the Treasurer was holding \$36,873,125 in short-term residual surplus cash investments. This amount is classified on the balance sheet as cash and equivalents in various funds. The associated investment interest is credited to the General Fund.

E. Deposits - See Note 3.

F. Investments - See Note 3.

G. Derivatives and Similar Transactions - See Note 3.

H. Capital Assets

Assets with anticipated useful lives in excess of one year and with a purchase price of \$5,000 or more are deemed capital assets. Under cash basis of accounting they are recorded as expenditures when purchased.

I. Compensated Absences

The contracts with employees call for the accumulation of vacation and sick leave. Certain employees are eligible to be paid for compensatory time. In most cases, at termination of employment employees with required length of service may receive cash payment for all accumulated vacation up to a maximum of 400 hours and 10% of sick leave, or 20% of sick leave when retiring. The payment is based on current wages at termination. Under cash accounting, this liability is not recognized in governmental fund types before payments to employees are made.

J. Long-Term Debt - See Note 6.

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K. Other Financing Sources and Uses

The county's Other Financing Sources consist of transfers-in and sales of county owned timber. Other Financing Uses consist of transfers out.

L. Risk Management - See Note 9.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related or contractual provisions in the current reporting period.

NOTE 3 - DEPOSITS AND INVESTMENTS

As required by state law, all deposits and investments of the county's funds (except as noted below) are obligations of the U. S. Government, the State Treasurer's Investment Pool, bankers' acceptances, or deposits with Washington State banks and savings and loan institutions. (Investments of nonexpendable trust funds are not subject to the preceding limitations.)

The county's deposits and investments are categorized to give an indication of the risk assumed at year-end. Category 1 includes deposits and investments that are insured, registered or held by the county or its agent in the county's name. Category 2 includes uninsured and unregistered investments that are held by the broker's or dealer's trust department or agent in the county's name. Category 3 includes uninsured and unregistered deposits and investments for which the securities are held by the broker or dealer, or its trust department or agent, but not in the county's name. Clallam County holds no deposits or investments that would qualify for either Category 2 or 3. All deposits are stated at cost, there is no material difference between cost and market value. As of December 31, 2009 the County had the following investments:

	Fair value of County investments	Fair value of investments held by County as agent	Total
Demand Deposits	\$ 9,479,366	\$ 1,284,801	\$ 10,764,167
Time Deposits	18,385,318	7,686,029	26,071,347
US Government Securities	1,785,408	241,517	2,026,925
State Investment Pool	<u>15,919,941</u>	<u>43,330,858</u>	<u>59,250,799</u>
Total	<u>\$ 45,570,033</u>	<u>\$ 52,543,205</u>	<u>\$ 98,113,238</u>

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The County's deposits and certificates of deposit are entirely covered by federal deposit insurance under the FDIC or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. All temporary investments are stated at cost plus accrued interest which approximates market.

Management intends to hold the time deposits and securities until maturity.

In addition to the investments scheduled above, the County holds \$197,818 in registered warrants issued by the William Shore Memorial Pool District, a Metropolitan Park district formed in 2009 in Port Angeles, Washington. See Note 17D.

The county did not use, hold, or sell any derivatives or similar instruments in 2009.

In accordance with generally accepted accounting principles applicable to regulated industries, reductions in market value are not reflected on the financial statements. Similarly, gains or losses on bond swaps are deferred and amortized over the life of the replacement investment. Other gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.

Proprietary fund restricted assets as of December 31, 2009 consist of the following:

	Carrying
Time Deposit	\$ 121,065
State Investment Pool	171,614
Total Investments of Restricted Assets	\$ 292,679

**NOTE 4 - PROPERTY TAXES**

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections during the month are distributed to each applicable fund at the end of the month except for the cities and state which are distributed on the 10th and 20th respectively.

Property tax revenues are recognized when cash is received by the county. Delinquent taxes are considered fully collectable because a lien attaches to the property after taxes are levied.

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 property values established for next year's levy at 100% of market.
October 31	Second installment is due.

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For the Year Ended December 31, 2009

During the year, property tax revenues are recognized when cash is collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The county may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

1. Washington State Law in RCW 84.55.010 limits the growth of regular property taxes to 1% per year, after adjustments for new construction. Referendum 47, passed in 1997, altered provisions of RCW 84.55 (formerly the 106% limit) that apply to a taxing district's highest prior lawful levy since 1985. For a taxing district with a population greater than 10,000 this referendum limits its levy capacity to an inflationary increase over its highest allowable levy since 1985, unless the district chooses to override this limitation with a finding of substantial need.
2. The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit.

The county's regular tax levy rate for 2009 was \$1.03591 per \$1,000 on a total assessed valuation of \$8,587,834,547 for a regular levy total of \$8,896,224. The total 2008 levy rate of \$1.07336 was comprised of four funds: Operating at \$1.03591; Veterans' Relief at \$.01125; Land Assessment at \$.00120; and Human Services at \$.02500.

NOTE 5 – INTERTERFUND TRANSACTIONS AND BALANCES

Interfund transactions are classified as follows:

- A. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the county.
- B. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financial Sources or Uses."
- C. Contributions to the capital of enterprise or internal service funds, transfers between those funds and the general fixed assets account group, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as residual equity transfers and reported as direct additions to, or deductions from, fund equity.
- D. At December 31, 2008 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$42,140. There were no

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new loans on this balance in 2009, and after payments of \$5,010 the balance at December 31, 2009 was \$37,130.

In 2008 the General Fund loaned the OPNET Drug Fund \$200,000 to fund a settlement agreement related to a property seizure. This loan is scheduled to be repaid from the proceeds of the sale of the seized property.

**NOTE 6 – LONG-TERM DEBT**

**A. Long-Term Debt**

In 2004 the Clallam County Opportunity Fund borrowed \$750,000 from the Washington State Community Economic Revitalization Board and re-loaned that amount to the Clallam Business Incubator, Inc. to aid in the Construction of the Clallam Business Incubator facilities. The County is obligated to repay the loan in installments beginning in 2008 and continuing through 2025. Interest on the loan is stated at 1%. Clallam County Incubator, Inc. is obligated to repay its loan from the County on essentially identical terms. At December 31, 2009 the principal outstanding on this loan is \$709,306.

In 2009, the board of the Clallam Business Incubator determined that the Incubator would not be able to replace its existing operating grant, and that without the grant could not continue to operate in its current form. Accordingly, five of the seven board members of the Business Incubator resigned and were replaced by representatives of local Governmental units including the City of Port Angeles, Clallam County, and the Port of Port Angeles. This new board is examining options to secure funding from local governments and organizations to continue the operation of the Incubator. If this effort is not successful, the Incubator will likely not be able to meet its commitment to repay the Clallam County Opportunity Fund.

**B. Changes In General Long-Term Liabilities:**

This table summarizes the county's debt transactions for 2009.

Category	Balance 12/31/08	Additions	Retirements	Balance 12/31/09
Compensated Absences for Governmental Activities and Business-Type Activities	\$ 2,218,854	\$ 174,793	\$ 0	\$ 2,393,647

Restricted assets in proprietary funds contain neither sinking funds nor reserves as there is no applicable debt to require these provisions.

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Legal Debt Margin - The County's limitation on external long-term debt is set by state law as follows:

Purpose of Indebtedness	Remaining Capacity
General Government (No vote required)	\$ 128,817,518
General Government (With 3/5 majority vote)	\$ 214,695,864

- C. Refunded Debt - The County currently has no refunded debt.
- D. Capitalized Leases - The County currently has no capitalized leases in effect.
- E. Conduit Debt - The County currently has no conduit debt.

NOTE 7 - PENSION PLANS

Substantially all Clallam County full-time and qualifying part-time employees participate in one of the following statewide local government retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer defined public employee retirement systems.

Historical trend and other information regarding each plan is presented in the State Department of Retirement Systems 2009 annual financial report. A copy may be obtained at the following address:

Department of Retirement Systems  
Administrative Services Division  
Post Office Box 48380  
Olympia, WA 98504-8380

- A. Public Employee's Retirement System (PERS) Plans I, II, & III

PERS is a cost-sharing multiple-employer defined benefit pension plan. Membership in the plan includes: elected officials; state employees; Supreme, Appeals, and Superior court employees other than judges; legislative committee employees; college and university employees not in national higher education retirement programs; district and municipal court judges; noncertified school district employees; and local government employees.

PERS contains three "plans". (As used in this context, the term "plans" refers to tiers within PERS. The actual plan is PERS.) Participants who joined the system by September 30, 1977 are Plan I members. Those joining thereafter choose either Plan II or Plan III. Retirement benefits are financed from employee and employer contributions and

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investment earnings. Employees vest in their own contributions immediately and in their employer's contributions after completion of five years of eligible service.

Plan I members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The percentage for the annual pension is 2% per year of service. This percentage is applied against the average yearly salary of the employee's highest two years of earnings. Retirement benefits are capped at 60%. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan II members may retire at the age of 65 with 5 years of service, or at 55 with 20 years of service, with an allowance of 2% per year of service. This percentage is applied against the average yearly salary of the employees highest five years of earnings. Plan II retirements prior to 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually.

Plan III has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan III members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan II prior to June 1, 2003. Plan III retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan III provides the same cost-of-living allowance as Plan II. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee retirement Benefits Board.

Each biennium, the State Pension Funding Council adopts Plan I employer contribution rates, Plan II employer and employee contribution rates, and Plan III employer contribution rates. Employee contribution rates for Plan I are established by legislative statute, at 6 percent, and do not vary from year to year. The employer and employee contribution rates for Plan II and the employer contribution rate for Plan III are developed by the Office of State Actuary to fully fund the Plan II and the defined benefit portion of Plan III. All employers are required to contribute at the level established by the Legislature. PERS Plan III defined contribution is a non-contributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan III do not contribute to the defined benefit portion of PERS Plan III. The Employee Retirement Benefits Board sets Plan III employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the

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employee's age. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.40 and 41.45 of the RCW.

The county's contribution rates, as a percentage of covered payrolls, as of December 31, 2009 were:

	PERS Plan I	PERS Plan II	PERS Plan III
Employer*	5.31%	5.31%	**5.31%
Employee	6.00%	3.90%	***

\*The employer rates include the employer administration expense fees currently set at 0.19.

\*\*Plan III defined benefit portion only.

\*\*\*Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS III member.

Both the county and its employees made the required contributions. The county's required contributions for the years ended December 31 were as follows:

Year	PERS Plan I	PERS Plan II	PERS Plan III
2009	\$ 69,706	\$ 1,044,569	\$ 161,630
2008	\$ 141,551	\$ 958,159	\$ 144,491
2007	\$ 138,057	\$ 723,008	\$ 101,552

**B. Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans I & II**

LEOFF is a cost-sharing multiple-employer defined benefit pension plan. Membership includes all full-time, fully compensated, local law enforcement officers and fire fighters. Retirement benefits are financed from employee and employer contributions, investment earnings, and state contributions. LEOFF is comprised solely of non-state employees.

The LEOFF system contains two plans. Participants who joined the system by September 30, 1977, are Plan I members. Those who joined thereafter are enrolled in Plan II. Retirement benefits are vested after completion of five years of eligible service.

Plan I participants are eligible to retire with five years of service at age 50. The benefit per year of service is as follows: with a cost-of-living allowance granted, capped at 3 percent annually:

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Term of Service	Percent of Final Average
20 or more years	2.0
10 but less than 20 years	1.5
5 but less than 10 years	1.0

Plan II participants are eligible to retire at the age of 50 with 20 years of service or at 53 with five years of service. Retirement benefits prior to age 55 are actuarially reduced. The benefit is 2% of average salary per year of service. The average salary is based on the highest 5-year period. There is no cap on years of service credit and a cost-of-living allowance is granted and capped at 3% annually.

Starting on July 1, 2000, Plan I employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State actuary to fully fund the plan. Plan II employers and employees are required to pay at the level adopted by the Department of Retirement systems in accordance with 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service cost of Plan I in accordance with the requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The county's December 31, 2009 contribution rates expressed as a percentage of covered payroll were:

	LEOFF Plan I	LEOFF Plan II
Employer	.16%	5.24%
Employee	0%	8.46%

The employer rates include employer administrative expense fees currently set at 0.19%.

Both the county and its employees made the required contributions. The county's required contributions for the years ended December 31, were:

Year	LEOFF Plan I	LEOFF Plan II
2009	\$ 0	\$ 125,051
2008	\$ 30	\$ 110,160
2007	\$ 112	\$ 99,690

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C. Public Safety Employees' Retirement Systems (PSERS) Plan II

PSERS II is a cost-sharing multiple-employer defined benefit pension plan. Membership includes certain public employees whose jobs contain a high degree of physical risk to their own personal safety, but who are not eligible for LEOFF retirement. Members of PERS II and III who were employed full time by a PSERS II employer and who met PSERS II criteria could elect by September 30, 2006 to join PSERS II. Absent such election, they would remain in PERS II or III. Employees hired on or after July 1, 2006 by a PSERS employer who meet PSERS II requirements will become PSERS II members. Retirement benefits are financed from employee and employer contributions and from investment earnings.

PSERS members are eligible to retire at age 65 with five years of service or at age 60 with ten years of service. Members with 20 years of service can retire between ages 53 and 60 with benefit reductions of 3% for each year before 60. The benefit is 2% of annual salary for each credited year of service such salary calculated as the average of the 60 highest paid consecutive credited months. There is no cap on years of service credit and a cost-of-living allowance is granted and capped at 3% annually.

In 2009 required contributions to PSERS by employees and the County were 6.55% and 7.85% of employee pay, respectively.

The county's required contributions for the years ended December 31, were:

Year	PSERS Plan II
2009	\$ 78,414
2008	\$ 70,466
2007	\$ 45,679

NOTE 8 - DEFERRED COMPENSATION PLAN, RETIREMENT HEALTH SAVINGS PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is independently administered, available to all employees and permits deferring a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

As of December 31, 2009, the value of the Deferred Compensation Plan & Trust was \$9,015,501. The County also has a 401(a) Plan that has trust reserves of \$4,529,777.

In 2002 the County instituted a Retirement Health Savings Plan in which participants can make a one-time irrevocable election to divert a percentage of their salaries into individual accounts

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administered by an independent trustee for the purpose of paying their and their dependent's medical costs upon retirement or other separation from county employment. As of December 31, 2009 the balances of these accounts totaled \$382,832. In 2006 the administrator of the Retirement Health Savings Plan advised the County that the plan was under review by the Internal Revenue Service. In 2007 the administrator and the Internal Revenue Service reached agreement materially changing provisions of the plan that the administrator could offer to the County. In response the County elected to close its plan to new contributions as of December 31, 2007. The plan will remain active until all of its assets have been distributed to participants or their dependents under the terms of the plan.

NOTE 9 - RISK MANAGEMENT

A. Liability Risk Pool

Clallam County is a member of the Washington Counties Risk Pool ("Pool"). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed on August 18, 1988 when several 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 related administrative services. Thirty counties have belonged to the Pool at some point since its inception, and twenty eight counties were members in 2009. The Pool is overseen by the State Risk Manager and is subject to annual audit by the State Auditor.

The Pool currently carries \$20 million (with another \$5 million optional) of joint liability coverage on a "per occurrence" basis for third-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, and includes public officials' errors and omissions. Annually, members select a per occurrence deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. Clallam County has selected a \$100,000 deductible and purchases the additional \$5 million coverage. The initial \$10 million of coverage, less the retention (the greater of the member's deductible or \$100,000), is fully reinsured. The remaining insurance, up to \$15 million, is acquired as "following form" excess insurance. There are no aggregate limits to the payments made for any one member county or all member counties combined.

Property insurance, with composite limits of \$500 million for normal ("All Other Perils") coverage and \$250 million for catastrophe coverage and participant deductibles between \$5,000 and \$50,000, is also available through the Pool as an individual county option. Covered property includes structures, vehicles, mobile equipment, and EDP equipment. Participants are responsible for their claims' deductibles. The insurers are responsible for

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covered losses exceeding the participant deductibles to the maximum limits of the policy. Clallam County participates in this property insurance with a \$5,000 deductible.

Pool member counties are required to timely submit their third-party liability claims to the Pool which are then managed by the Pool's staff. This management includes establishing reserves for both reported and unreported covered events, as well as estimates of the undiscounted future cash payments for losses and related claims adjustment expenses. Because the Washington State Counties Risk Pool is a cooperative program, there is joint liability among the participating members at such times as the Pool's assets are insufficient to cover the Pool's liabilities. Deficits resulting from any Pool fiscal year are financed by proportional reassessments against that year's member counties. As of December 31, 2009, the Pool has no reassessments receivable balance.

Each new member pays the Pool an admittance fee. This amount covers the member's share of organizational expenses and the cost of analyzing their loss data and risk profile. Members contract to remain in the Pool for a minimum of five years, and may terminate their memberships at the conclusion of any Pool fiscal year if the county timely files the required twelve months' notice. The Interlocal Governmental Agreement is renewed automatically each year after the initial 5-year period. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period it was a signatory to the Interlocal Governmental Agreement.

The Pool is fully funded by its member participants. Claims are filed by members and handled by the Pool's claims staff. Reserves are established for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claim adjustment expenses.

The Pool is administered by a board of directors which is comprised of one designated representative from each participating member. An executive committee is elected from the member-designated directors and alternate directors at the annual meeting. Also at the annual meeting, the Pool's officers (president and secretary-treasurer) are elected from the executive committee persons. The officers and the executive committee are responsible for conducting the business affairs of the Pool.

See Note 11 - Claims and Judgments for discussion of claims liabilities against the County as of December 31, 2009.

**B. Unemployment and Workers Compensation**

The county has elected to partially self insure its risk for unemployment and worker's compensation claims. The county is responsible for losses up to \$350,000 per occurrence. Losses in excess of \$350,000 are insured by private insurance companies to

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

the specific statutory excess limit, except that losses for law enforcement and marine cases which have \$500,000 self coverage per the Jones Act.

Independent claims manager's process claims. Based on the claims managers' estimates, the county's liability for possible losses at December 31, 2009 was as follows:

Unemployment	\$ 86,827
Workers' Compensation	\$ 897,000

The county is required by the State to set aside, for protection to the Workers' Compensation Fund, \$250,000 in cash reserves. Clallam County reserves exceed that requirement.

Claims' settlements and loss expenses are accrued in the Workers' Compensation Claims and Risk Management funds for the estimated settlement value of both reported and unreported claims up to the statutory excess limit. These funds are responsible for collecting interfund premiums from insured funds and departments, for paying claims settlements and for purchasing certain insurance policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses. Unemployment insurance claims are anticipated by a budgeted expense in the General Fund.

NOTE 10 - SHORT-TERM DEBT

The County has no short term debt outstanding as of December 31, 2009.

NOTE 11 - CLAIMS AND JUDGMENTS

Clallam County is named as the defendant in several legal actions. Claims and/or costs and fees, which are reasonably possible at December 31, 2009, are estimated by the Washington Counties Risk Pool to be \$1,039,789. Reserves within the Risk Management Funds exceed this requirement. See Note 9 - Risk Management for a description of the Public Entity Risk Pool. In the opinion of county management, the county's insurance policies and self-insurance reserves are adequate to pay known and pending claims.

NOTE 12 - COMMITMENTS

None at December 31, 2009.

NOTE 13 - SEGMENT INFORMATION

The county had no reportable segments as of December 31, 2009.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

NOTE 14 - JOINT VENTURES

None at December 31, 2009.

NOTE 15 – LEOFF MEDICAL COSTS

Under the terms of LEOFF I, the county pays all the medical costs of its current and retired LEOFF I employees. This totaled \$28,611 in 2009 for ten retired employees. In addition, the county paid \$56,464 in medical insurance premiums for six of these retired employees in 2009. Only LEOFF I employees are eligible for this benefit.

NOTE 16 - CLOSURE AND POSTCLOSURE CARE COST

None at December 31, 2009.

NOTE 17 - OTHER DISCLOSURES

A. Prior Period Adjustment

There were no prior period adjustments in the year ended December 31, 2009.

B. Accounting and Reporting Changes

There were no material changes in accounting principles or accounting estimates in the year ended December 31, 2009.

C. Real Estate Excise Tax

During 2009, the Clallam county Treasurer noted a discrepancy in the accounting for Real Estate Excise Tax collections and reported it to the Washington State Auditor for investigation. The State Auditor determined that during the period 2004 to 2009 a sum of \$617,467 had been misappropriated. Clallam County has terminated the employee deemed responsible for the misappropriation, submitted a claim to its insurance carrier for the loss as well as for \$66,067 in investigation costs, and taken steps to strengthen controls in Real Estate Excise Tax accounting and in other areas.

The City of Port Angeles Police Department has criminal jurisdiction in this matter and is conducting a criminal investigation.

D. William Shore Memorial Pool

The William Shore Memorial Pool District was created in 2009 to operate a municipal pool that was previously run by the City of Port Angeles. During 2009, Clallam County

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2009

offered to provide operating financing for the Pool District, but as of the date of these financial statements, no financing agreement had been reached. In the interim, Clallam County is purchasing the Pool District's registered warrants. These registered warrants totaled \$197,898 at December 31, 2009. This amount is shown as an overdraft in the Pool District's cash at December 31, 2009.

Clallam County  
 Schedule of Long Term Debt  
 For the Year Ended December 31, 2009

X G.O. Debt  
 Revenue Debt  
 Assessment Debt

Identification Number	Original Issue Date	Maturity Date	Balance 12/31/2008	Issued	Current Year Redeemed	BARS Code for Redemption	Redeeming Fund Number	Balance 12/31/2009
General Debt								
Opportunity Fund 251.11	2004	2025	\$ 750,000	\$ -	\$ 40,694	591.52.00.0000	19941.291	\$ 709,306
Special Purpose District								
Port Angeles School District 121 251.12	2001	2015	\$ 7,865,000	\$ -	\$ 6,895,000	582.00.00.0000	68104.000	\$ 970,000
Port Angeles School District 121 251.15	2009	2015	-	6,270,000	90,000	582.00.00.0000	68104.000	\$ 6,180,000
Total Port Angeles School District 121			\$ 7,865,000	\$ 6,270,000	\$ 6,985,000	582.00.00.0000	68104.000	\$ 7,150,000
Sequim School District 323 251.15	2003	2013	\$ 8,275,000	\$ -	\$ 1,445,000	582.00.00.0000	68134.000	6,830,000
Sequim School District 323 251.15	2008	2014	4,175,000	-	660,000	582.00.00.0000	68134.000	3,515,000
Sequim School District 323 251.11	2001	2011	49,222	-	24,691	582.00.00.0000	68134.000	24,531
Sequim School District 323 251.11	2002	2012	51,197	-	13,948	582.00.00.0000	68134.000	37,249
Sequim School District 323 251.11	2004	2017	42,540	-	9,678	582.00.00.0000	68134.000	32,862
Sequim School District 323 251.11	2004	2017	105,567	-	5,169	582.00.00.0000	68134.000	100,399
Total Sequim School District 323			\$ 12,698,526	\$ -	\$ 2,158,485			\$ 10,540,041
Cape Flattery School District 401 251.11	2001	2010	\$ 141,340	\$ -	\$ 92,956	582.00.00.0000	68144.000	48,383
Cape Flattery School District 401 251.12	2007		3,500,000	-	100,000	582.00.00.0000	68144.000	3,400,000
Total Cape Flattery School District 401			\$ 3,641,340	\$ -	\$ 192,956			\$ 3,448,383
Quillayute Valley School District 402 251.15	2005	2017	\$ 4,410,000	\$ -	\$ 405,000	582.00.00.0000	68154.000	\$ 4,005,000
Quillayute Valley School District 402 251.12	2009	2028	-	11,500,000	-	582.00.00.0000	68154.000	11,500,000
Total Quillayute Valley School District 402			\$ 4,410,000	\$ 11,500,000	\$ 405,000			\$ 15,505,000
Hospital District 1 251.12	1996	2011	\$ 775,000	\$ -	\$ 265,000	582.00.00.0000	69517.000	\$ 510,000
Hospital District 1 251.11	2006	2016	1,090,343	-	62,780	582.00.00.0000	69517.000	1,027,563
Hospital District 1 251.11	2006	2021	5,015,000	-	-	582.00.00.0000	69517.000	5,015,000
Total Hospital District 1			\$ 6,880,343	\$ -	\$ 327,780			\$ 6,552,563
Fire District # 3 251.11	2006	2016	\$ 2,071,799	\$ -	\$ 224,982	582.00.00.0000	65138.000	\$ 1,846,816
Fire District # 5 251.11	2001	2021	127,137	-	8,084	582.00.00.0000	65151.000	119,053
Fire District # 6 251.11	2001	2011	17,257	-	6,687	582.00.00.0000	65161.000	10,570
Total Fire Districts			\$ 2,216,193	\$ -	\$ 239,753			\$ 1,976,439
Quillayute Valley Park and Recreation 251.12	2002	2022	\$ 2,335,000	\$ -	\$ 110,000	582.00.00.0000	66808.000	\$ 2,225,000
Quillayute Valley Park and Recreation 251.11	2004	2041	218,570	-	-	582.00.00.0000	66808.000	218,570
			2,553,570	-	110,000			2,443,570
Total Special Purpose District			\$ 40,264,972	\$ 17,770,000	\$ 10,418,975			\$ 47,615,997

Clallam County  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2009

1 Federal Agency Name / Pass-Through Agency Name	2 Federal Program Name	3 CFDA #	4 Other ID Number	5 Expenditures			6 Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	Total	
Dept of Justice / WA State Patrol	High Intensity Drug Trafficking Area Initiatives	07.000	C090728FED	9,952		9,952	
Dept of Agriculture / WA State Office of the Superintendent of Public Instruction	National School Lunch Program	10.555	05-121-9761	30,988		30,988	
Dept of Health and Human Services / WA State Dept of Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C14942	157,345		157,345	
Dept of Agriculture	Schools and Roads Grants to States	10.665	Title I Title III		958,034 <u>22,968</u> 981,002	981,002	* 4
Dept of Agriculture	Schools and Roads Grants to Counties	10.666	D7-CA-11060900-029		1,370	1,370	
Dept of Agriculture	National Forest - Dependent Rural Communities	10.670	08-PA-11060900-003		65,087	65,087	
Dept of Commerce / State of WA Dept of Ecology	Coastal Zone Management Administration	11.419	G0800008	74,421			
Dept of Commerce / WA Dept of Fish and Wildlife	Pacific Coast Salmon Recovery / Pacific Coast Salmon Treaty Program	11.438	07-1470	122,160			
Dept of Commerce / WA State Recreation and Conservation Office	Pacific Coast Salmon Recovery / Pacific Coast Salmon Treaty Program		07-1471 09-1503N 09-1504N	17,775 71,707			
Dept of Commerce / WA State Military Dept	Public Safety Interoperable Communications Grant Program	11.555	2007-GS-H17-003	<u>12,240</u> <u>223,882</u>		223,882	*
Dept of the Interior / WA State Dept of Fish and Wildlife	Coastal Wetlands Planning, Protection, and Restoration Act	15.614	05-1296	8,700		8,700	
Dept of Justice / WA State Patrol	Domestic Cannabis Eradication/Suppression	16.000	C090922FED	17,407		17,407	
Dept of Justice / WA State Dept of Social and Health Services	Office of Juvenile Justice and Delinquency Prevention	16.523	0663-99177	10,000		10,000	2
Dept of Justice / WA State Dept of Commerce	Violence Against Women Formula Grants	16.588	F08-31103-053	42,167			2
			F09-31103-052	5,424			2

Clallam County  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2009

1 Federal Agency Name / Pass-Through Agency Name	2 Federal Program Name	3 CFDA #	4 Other ID Number	5 Expenditures		6 Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	
Dept of Justice	State Criminal Alien Assistance Program	16.606	2009-AP-BX-0384	47,591	4,682	47,591
Dept of Justice	Bulletproof Vest Partnership Program	16.607			5,287	5,287
Dept of Justice / WA State Dept of Commerce	Public Safety Partnership and Community Policing Grants	16.710	M08-66100-105	2,137		
Dept of Justice / WA Assoc of Sheriffs and Police Chiefs			2008 CKWX0392	4,377		6,514
Dept of Justice	Reduction and Prevention of Children's Exposure to Violence	16.730	2007-DJ-BX-1220		4,888	4,888
Dept of Justice	ARRA Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-1354		122	
Dept of Justice / WA State Dept of Commerce	Edward Byrne Memorial Justice Assistance Grant Program		S07-66201-005	65,524		2
Dept of Justice / WA State Dept of Commerce	ARRA Edward Byrne Memorial Justice Assistance Grant		M09-34021-005	83,780		
Dept of Justice / WA State Dept of Commerce	ARRA Edward Byrne Memorial Justice Assistance Grant	16.803	F09-34721-033	149,304		149,426
Dept of Justice / WA State Dept of Social and Health Services	ARRA Edward Byrne Memorial Justice Assistance Grant		F09-34721-005	19,529		
Dept of Justice	ARRA Edward Byrne Memorial Justice Assistance Grant		0963-68024	155,042		4
Dept of Transportation / WA State Dept of Transportation	ARRA Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-2961	59,013		
Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	SB WA07(001), LA5625, TA2629	233,584	5,148	233,584
Dept of Transportation / WA State Dept of Transportation			TCSP (008), LA5358, TA2344	12,815		
Dept of Transportation / WA State Dept of Transportation			STPR-05 AK(001), TCSP-09WA(006), LA6760	835,689		*
Dept of Transportation / WA State Dept of Transportation				96,269		

1 Federal Agency Name / Pass-Through Agency Name	2 Federal Program Name	3 CFDA #	4 Other ID Number	5 Expenditures		6 Foot-note Ref.	
				From Pass-Through Awards	From Direct Awards		Total
			STPH-QO51 (001), LA6466, TA3486 STPH-T050(002), LA6414, TA3433 IRR-BROS-2005(015), TCSP-08WA(002), LA2374, SA3342, SL2069 STPR-Q055(001), LA5803	73,083  182,160  3,425,608			*
	ARRA Highway Planning and Construction	20.205 ARRA	ARRA-7541(001), LA6882, TA3908 ARRA-2005(075), LA6638, TA3864	4,633,007 496,675  333,000		4,633,007	*
Dept of Transportation / WA Assoc of Sheriffs and Police Chiefs	State and Community Highway Safety	20.600		829,675 4,000		829,675 4,000	
Environmental Protection Agency / WA State Dept of Health	Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safewater Drinking Act	66.424	C14942	5,500		5,500	
Environmental Protection Agency	Targeted Watershed Grants	66.439	WS- 96074701-0		86,347		
Environmental Protection Agency / Jamestown S'Klallam Tribe			500-05-TWIG	25,283			4

Clallam County  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2009

1 Federal Agency Name / Pass-Through Agency Name	2 Federal Program Name	3 CFDA #	4 Other ID Number	5 Expenditures			6 Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	Total	
				111,630		111,630	
Environmental Protection Agency / State of WA Dept of Ecology	Nonpoint Source Implementation Grants	66.460	G0900091	12,574		12,574	
Environmental Protection Agency / WA State Dept of Health	Beach Monitoring and Notification Program Implementation Grants	66.472	C14942	15,440		15,440	4
Dept of Justice / WA State Dept of Commerce	Safe and Drug Free Schools and Communities - State Grants	84.186B	M08-66100-105 M08-66100-105A	9,004 21,597		30,601	2 2
Election Assistance Commission / State of WA Office of the Secretary of State	Help America Vote Act	90.401	G2830	5,393		5,393	
Dept of Health and Human Services / WA State Dept of Health	Public Health Emergency Preparedness	93.069	C14942	106,690		106,690	
Dept of Health and Human Services / WA State Dept of Health	Maternal and Child Health Federal Consolidated Programs	93.110	C14942	63,713		63,713	
Dept of Health and Human Services / WA State Dept of Health	Immunization Grants	93.268	C14942	20,994			
			Vaccine in Lieu of Cash	36,906			3
Dept of Health and Human Services	Drug Free Communities Support Program Grants	93.276	5H79SP 011353-05	57,900	60,165	57,900	
Dept of Health and Human Services / WA State Dept of Social and Health Services	Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	0963-68024	7,165			
Dept of Health and Human Services / WA State Dept of Health			C14942	30,158			
Dept of Health and Human Services / WA State Dept of Social and Health Services	Child Support Enforcement	93.563	2110-80577	37,323		37,323	
			0736-15052	217,155			
				76,595		293,750	
				293,750		293,750	

Clallam County  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2009

1 Federal Agency Name / Pass-Through Agency Name	2 Federal Program Name	3 CFDA #	4 Other ID Number	5 Expenditures			6 Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	Total	
Dept of Health and Human Services / WA State Dept of Health	Child Care and Development Block Grant	93.575	C14942	13,325		13,325	
Dept of Health and Human Services / WA State Dept of Social and Health Services	Medical Assistance Program	93.778	0763-33347 & 0963-86546  7403496 7104409 0963-53322-01	15,328  104,860 15,248 17,039 <u>80,161</u> 232,636		232,636	
Dept of Health and Human Services / WA State Dept of Health	National Bioterrorism Hospital Preparedness Program	93.889	C14942	2,696		2,696	
Dept of Health and Human Services / WA State Dept of Health	HIV Care Formula Grants	93.917	HDC 268 & HDC293	48,579		48,579	
Dept of Health and Human Services / WA State Dept of Social and Health Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	0963-68024	434,553		434,553	4
Dept of Homeland Security / WA State Military Dept	State Domestic Preparedness Equipment Support Program	97.004	2008-10-78-0027	307		307	
Dept of Homeland Security / WA State Parks and Recreation Commission	Boating Safety Financial Assistance	97.012	2009-26	7,959		7,959	
Dept of Homeland Security / WA State Military Dept	Disaster Grants - Public Assistance	97.036	D09-496  1817-DR-WA, D09-011 1825-DR-WA, D09-496	13,546  398,168 <u>56,677</u> 468,391		468,391	2  *
Dept of Homeland Security / WA State Military Dept	Emergency Management Performance Grants	97.042	2008-EM-E8-0028, E09-300	38,469		38,469	
Dept of Homeland Security / Kitsap County Dept of Emergency Management	Homeland Security Grant Program	97.067		163,070		163,070	
Total Federal Awards Expended				\$9,237,731	\$1,214,098	\$10,451,829	

**Note 1 - Basis of Accounting**

The Schedule of Financial Assistance is prepared on the same basis as the county's financial statement. The county uses a cash accounting basis.

**Note 2 - Program Costs**

The amounts shown as current year expenditures represent only federal/state/local grant portion of the program cost. Entire program cost, including the county's portion may be more than shown. An asterisk (\*) marks awards over \$300,000.

**Note 3 - Noncash Awards**

The amount of Vaccine reported on the schedule is the value of vaccine distributed by the county during current year and priced as prescribed by Federal and State Agencies.

**Note 4 - Amounts Awarded to Subrecipients**

Included in the total amount expended for this program is money that was passed through to a subrecipient that administered its own project.

**Note 5 - Prior Year Expenses**

\$3,549 of the expense was for 2008 and \$1,738 of the expense was for 2007. The revenue was received in 2009.



## **ABOUT THE STATE AUDITOR'S OFFICE**

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

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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

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**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

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**Ted Rutt**  
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