

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

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**Clallam County**

Audit Period  
**January 1, 2012 through December 31, 2012**

**Report No. 1010487**

Issue Date  
**September 23, 2013**



WASHINGTON  
**TROY KELLEY**  
STATE AUDITOR



**Washington State Auditor  
Troy Kelley**

September 23, 2013

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,

**TROY KELLEY  
STATE AUDITOR**

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# Federal Summary

## Clallam County January 1, 2012 through December 31, 2012

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 unmodified 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 unmodified opinion on the County's compliance with requirements applicable to each of 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 Cluster - Schools and Roads - Grants to States
10.666	Schools and Roads Cluster - Schools and Roads - Grants to Counties
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

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

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

**Clallam County**  
**January 1, 2012 through December 31, 2012**

Board of Commissioners  
Clallam County  
Port Angeles, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Clallam County, Washington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 16, 2013.

***INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of 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*.

### **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**TROY KELLEY**  
STATE AUDITOR

September 16, 2013

# Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

**Clallam County**  
**January 1, 2012 through December 31, 2012**

Board of Commissioners  
Clallam County  
Port Angeles, Washington

## ***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM***

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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the accompanying Federal Summary.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to 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 on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### ***REPORT ON INTERNAL CONTROL OVER COMPLIANCE***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***PURPOSE OF THIS REPORT***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It

also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style with a large "X" between the first and last names.

**TROY KELLEY**  
STATE AUDITOR

September 16, 2013

# Independent Auditor's Report on Financial Statements

**Clallam County**  
**January 1, 2012 through December 31, 2012**

Board of Commissioners  
Clallam County  
Port Angeles, Washington

## ***REPORT ON THE FINANCIAL STATEMENTS***

We have audited the accompanying financial statements of Clallam County, Washington, for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 11.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

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, 2012, on the basis of accounting described in Note 1.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared in accordance with 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 basis of accounting other than accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Supplementary and Other Information*

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 Liabilities is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### ***Purpose of this Report***

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

### ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style with a large "X" between the first and last names.

**TROY KELLEY**  
STATE AUDITOR

September 16, 2013

# Financial Section

**Clallam County**  
**January 1, 2012 through December 31, 2012**

## ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2012  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2012  
Notes to Financial Statements – 2012

## ***SUPPLEMENTARY AND OTHER INFORMATION***

Schedule of Liabilities – 2012  
Schedule of Expenditures of Federal Awards – 2012  
Notes to the Schedule of Expenditures of Federal Awards – 2012

Clallam County  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2012

BARS CODE		Total for All Funds	Fund Number and Title 001 General	Fund Number and Title 101 Roads	Fund Number and Title 110 Sheriff Honor Guard
		Total Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
308.10	Reserved	\$ 6,678,970	\$ 6,500,000	\$ -	\$ -
308.80	Unreserved	\$ 38,692,842	\$ 2,439,244	\$ 11,483,665	\$ 3,820
Prior Period Adjustments (388.80 and 588.80)		-	-	-	-
Revenues and Other Sources					
310	Taxes	27,959,592	14,775,517	6,995,687	-
320	Licenses and Permits	680,860	649,060	31,800	-
330	Intergovernmental	16,545,560	6,666,254	5,353,641	-
340	Charges for Goods and Services	4,857,514	2,909,661	55,089	-
350	Fines and Penalties	662,016	631,284	-	575
360	Miscellaneous	7,116,908	2,790,825	563,699	-
370	Capital Contributions	5,000	-	-	-
Total Operating Revenues		57,827,450	28,422,601	12,999,916	575
Operating Expenditures					
510	General Government	13,717,848	11,494,844	158,860	-
520	Public Safety	13,697,279	11,181,178	300,628	-
530	Physical Environment	1,956,978	1,082,230	92,924	-
540	Transportation	9,672,842	-	7,474,362	-
550	Economic Environment	2,123,132	1,224,479	4,064	-
560	Mental and Physical Health	5,487,670	1,116,295	-	-
570	Culture and Recreation	2,108,312	2,108,312	-	-
Total Operating Expenditures		48,764,061	28,207,338	8,030,838	-
Net Operating Increase (Decrease)		9,063,389	215,263	4,969,078	575
Nonoperating Revenues					
391-393	Debt Proceeds	9,000	-	-	-
370, 380, 395, 398	Other Financing Sources	2,292,020	720,727	1,512,287	-
397	Transfers In	3,108,039	1,265,000	-	-
Total Nonoperating Revenues		5,409,059	1,985,727	1,512,287	-
Nonoperating Expenditures					
591-593	Debt Service	70,499	-	-	-
594-595	Capital Expenditures	7,407,646	64,348	3,195,959	-
580, 596, 599	Other Financing Uses	521	-	178	-
597	Transfers Out	3,142,646	593,140	54,506	-
Total Nonoperating Expenditures		10,621,312	657,488	3,250,643	-
Increase (Decrease in Cash and Investments)		3,851,136	1,543,502	3,230,722	575
Ending Cash and Investments					
508.10	Reserved	7,713,689	7,500,000	-	-
508.80	Unreserved	41,509,259	2,982,746	14,714,387	4,395

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	110 Recreation and Boating	110 Sheriff's Office Drug	110 Sheriff's OPNET Drug	110 Sheriff's Equipment Reserve
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10	Reserved	\$ -	\$ -	\$ -
308.80	Unreserved	\$ 82,240	\$ 104,545	\$ 171,164
Prior Period Adjustments (388.80 and 588.80)				
Revenues and Other Sources				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental	93,504	-	232,164
340	Charges for Goods and Services	-	-	4,575
350	Fines and Penalties	-	-	26,166
360	Miscellaneous	3,137	934	25,798
370	Capital Contributions	-	-	-
Total Operating Revenues		96,641	934	284,128
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	82,262	3,013	351,242
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental and Physical Health	-	-	-
570	Culture and Recreation	-	-	-
Total Operating Expenditures		82,262	3,013	351,242
Net Operating Increase (Decrease)		14,379	(2,079)	(67,114)
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
370, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	-	31,040
Total Nonoperating Revenues		-	-	31,040
Nonoperating Expenditures				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	68,775
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	-	68,775
Increase (Decrease in Cash and Investments)		14,379	(2,079)	(67,114)
Ending Cash and Investments				
508.10	Reserved	-	-	-
508.80	Unreserved	96,619	102,466	104,050

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	110 Nine-One- One Enhanced	110 OPSCAN Operations	110 PSIC Grant	110 Operation Stonegarden
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10	Reserved	\$ -	\$ -	\$ -
308.80	Unreserved	63,428	28,469	(834)
Prior Period Adjustments (388.80 and 588.80)				
		-	-	-
Revenues and Other Sources				
310	Taxes	657,893	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental	41,829	129,111	576,024
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous	449	-	-
370	Capital Contributions	-	-	-
Total Operating Revenues		700,171	129,111	576,024
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	649,480	99,746	72,554
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental and Physical Health	-	-	-
570	Culture and Recreation	-	-	-
Total Operating Expenditures		649,480	99,746	72,554
Net Operating Increase (Decrease)		50,691	29,365	503,470
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
370, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	-	-
Total Nonoperating Revenues		-	-	-
Nonoperating Expenditures				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	502,636
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	-	502,636
Increase (Decrease in Cash and Investments)		50,691	29,365	834
Ending Cash and Investments				
508.10	Reserved	-	-	-
508.80	Unreserved	114,119	57,834	-
				40

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, 2012

BARS CODE		Fund Number and Title 110 Port Security	Fund Number and Title 113 Health and Human Services	Fund Number and Title 113 Alcohol and Drug Abuse	Fund Number and Title 113 Homeless Task Force
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
308.10	Reserved	\$ -	\$ -	\$ 87,908	\$ -
308.80	Unreserved	192	826,463	172,610	209,748
Prior Period Adjustments (388.80 and 588.80)		-	-	-	-
Revenues and Other Sources					
310	Taxes	-	1,024	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental	84,091	879,931	624,275	5,000
340	Charges for Goods and Services	-	194,314	77,639	303,026
350	Fines and Penalties	-	-	-	-
360	Miscellaneous	-	291	7,437	1,451
370	Capital Contributions	-	-	-	-
Total Operating Revenues		84,091	1,075,560	709,351	309,477
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	26,663	-	-	-
530	Physical Environment	-	-	-	-
540	Transportation	-	-	-	-
550	Economic Environment	-	-	-	312,383
560	Mental and Physical Health	-	1,487,098	858,145	-
570	Culture and Recreation	-	-	-	-
Total Operating Expenditures		26,663	1,487,098	858,145	312,383
Net Operating Increase (Decrease)		57,428	(411,538)	(148,794)	(2,906)
Nonoperating Revenues					
391-393	Debt Proceeds	-	-	-	-
370, 380, 395, 398	Other Financing Sources	-	-	17,536	-
397	Transfers In	-	510,000	11,640	-
Total Nonoperating Revenues		-	510,000	29,176	-
Nonoperating Expenditures					
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	30,626	-	-	-
580, 596, 599	Other Financing Uses	-	-	-	-
597	Transfers Out	-	-	-	-
Total Nonoperating Expenditures		30,626	-	-	-
Increase (Decrease in Cash and Investments)		26,802	98,462	(119,618)	(2,906)
Ending Cash and Investments					
508.10	Reserved	-	-	100,294	-
508.80	Unreserved	26,994	924,925	40,606	206,842

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, 2012

BARS CODE		Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
		113 Chemical Dependency Mental Health	113 Affordable Housing	113 Developmental Disabilities	114 Law Library
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
	308.10	Reserved	\$ -	\$ 91,062	\$ -
	308.80	Unreserved	1,547,799	128,330	521,462
					14,954
Prior Period Adjustments (388.80 and 588.80)					
		-	-	-	-
Revenues and Other Sources					
	310	Taxes	936,690	-	188,646
	320	Licenses and Permits	-	-	-
	330	Intergovernmental	-	-	683,881
	340	Charges for Goods and Services	-	65,470	-
	350	Fines and Penalties	-	-	23,147
	360	Miscellaneous	1,506	-	1,068
	370	Capital Contributions	-	-	-
		Total Operating Revenues	938,196	65,470	873,595
					23,147
Operating Expenditures					
	510	General Government	-	-	19,173
	520	Public Safety	-	-	-
	530	Physical Environment	-	-	-
	540	Transportation	-	-	-
	550	Economic Environment	-	90,374	-
	560	Mental and Physical Health	1,183,550	-	842,582
	570	Culture and Recreation	-	-	-
		Total Operating Expenditures	1,183,550	90,374	842,582
					19,173
		Net Operating Increase (Decrease)	(245,354)	(24,904)	31,013
					3,974
Nonoperating Revenues					
	391-393	Debt Proceeds	-	9,000	-
	370, 380, 395, 398	Other Financing Sources	-	-	31,882
	397	Transfers In	-	-	-
		Total Nonoperating Revenues	-	9,000	31,882
					-
Nonoperating Expenditures					
	591-593	Debt Service	-	-	-
	594-595	Capital Expenditures	-	-	-
	580, 596, 599	Other Financing Uses	-	-	-
	597	Transfers Out	-	-	-
		Total Nonoperating Expenditures	-	-	-
					-
		Increase (Decrease in Cash and Investments)	(245,354)	(15,904)	62,895
					3,974
Ending Cash and Investments					
	508.10	Reserved	-	-	113,395
	508.80	Unreserved	1,302,445	112,426	562,024
					18,928

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, 2012

BARS CODE		Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
		117 Crime Victim Compensation	119 Racketeering	121 Shoreline Block Grant	122 Treasurer Operation and Maintenance
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
	308.10 Reserved	\$ -	\$ -	\$ -	\$ -
	308.80 Unreserved	207,529	1,712	55,685	137,177
Prior Period Adjustments (388.80 and 588.80)					
		-	-	-	-
Revenues and Other Sources					
	310 Taxes	-	-	-	-
	320 Licenses and Permits	-	-	-	-
	330 Intergovernmental	58,461	-	-	-
	340 Charges for Goods and Services	37,779	-	-	94,492
	350 Fines and Penalties	1	-	-	-
	360 Miscellaneous	-	3	-	248
	370 Capital Contributions	-	-	-	-
Total Operating Revenues		96,241	3	-	94,740
Operating Expenditures					
	510 General Government	108,875	-	-	62,200
	520 Public Safety	-	25	-	-
	530 Physical Environment	-	-	28,227	-
	540 Transportation	-	-	-	-
	550 Economic Environment	-	-	-	-
	560 Mental and Physical Health	-	-	-	-
	570 Culture and Recreation	-	-	-	-
Total Operating Expenditures		108,875	25	28,227	62,200
Net Operating Increase (Decrease)		(12,634)	(22)	(28,227)	32,540
Nonoperating Revenues					
	391-393 Debt Proceeds	-	-	-	-
	370, 380, 395, 398 Other Financing Sources	-	-	-	-
	397 Transfers In	-	-	-	-
Total Nonoperating Revenues		-	-	-	-
Nonoperating Expenditures					
	591-593 Debt Service	-	-	-	-
	594-595 Capital Expenditures	-	-	-	-
	580, 596, 599 Other Financing Uses	-	-	-	-
	597 Transfers Out	-	-	-	-
Total Nonoperating Expenditures		-	-	-	-
Increase (Decrease in Cash and Investments)		(12,634)	(22)	(28,227)	32,540
Ending Cash and Investments					
	508.10 Reserved	-	-	-	-
	508.80 Unreserved	194,895	1,690	27,458	169,717

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, 2012

BARS CODE		Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
		122 REET Electronic Technology	122 Land Assessment	124 Document Preservation	129 Dispute Resolution Center
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
	308.10	Reserved	\$ -	\$ -	\$ -
	308.80	Unreserved	146,107	21,333	305,422
Prior Period Adjustments (388.80 and 588.80)					
Revenues and Other Sources					
	310	Taxes	-	9,096	-
	320	Licenses and Permits	-	-	-
	330	Intergovernmental	-	1	54,975
	340	Charges for Goods and Services	-	-	38,320
	350	Fines and Penalties	-	-	8,855
	360	Miscellaneous	-	41	-
	370	Capital Contributions	-	-	-
Total Operating Revenues			-	9,138	93,295
Operating Expenditures					
	510	General Government	-	7,658	52,037
	520	Public Safety	-	-	-
	530	Physical Environment	-	-	-
	540	Transportation	-	-	-
	550	Economic Environment	-	-	-
	560	Mental and Physical Health	-	-	-
	570	Culture and Recreation	-	-	-
Total Operating Expenditures			-	7,658	52,037
Net Operating Increase (Decrease)			-	1,480	41,258
Nonoperating Revenues					
	391-393	Debt Proceeds	-	-	-
	370, 380, 395, 398	Other Financing Sources	-	693	-
	397	Transfers In	-	-	-
Total Nonoperating Revenues			-	693	-
Nonoperating Expenditures					
	591-593	Debt Service	-	-	-
	594-595	Capital Expenditures	-	-	-
	580, 596, 599	Other Financing Uses	-	-	-
	597	Transfers Out	-	-	-
Total Nonoperating Expenditures			-	-	-
Increase (Decrease in Cash and Investments)			-	2,173	41,258
Ending Cash and Investments					
	508.10	Reserved	-	-	-
	508.80	Unreserved	146,107	23,506	346,680
					1,415

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	129 Courthouse Facilitator	130 Noxious Weed Control	130 LMD #2 Lake Sutherland	135 Probation District Court I
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10 Reserved	\$ -	\$ -	\$ -	\$ -
308.80 Unreserved	660	163,190	38,937	100,986
Prior Period Adjustments (388.80 and 588.80)				
	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	75,574	-	-
340 Charges for Goods and Services	10,594	17,541	-	259,251
350 Fines and Penalties	-	-	-	4
360 Miscellaneous	-	92,170	19,210	127
370 Capital Contributions	-	-	-	-
Total Operating Revenues				
	10,594	185,285	19,210	259,382
Operating Expenditures				
510 General Government	9,689	-	-	299,372
520 Public Safety	-	-	-	-
530 Physical Environment	-	182,359	20,429	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures				
	9,689	182,359	20,429	299,372
Net Operating Increase (Decrease)				
	905	2,926	(1,219)	(39,990)
Nonoperating Revenues				
391-393 Debt Proceeds	-	-	-	-
370, 380, 395, 398 Other Financing Sources	-	-	-	-
397 Transfers In	-	-	-	-
Total Nonoperating Revenues				
	-	-	-	-
Nonoperating Expenditures				
591-593 Debt Service	-	-	-	-
594-595 Capital Expenditures	-	-	-	-
580, 596, 599 Other Financing Uses	-	-	-	-
597 Transfers Out	-	-	-	-
Total Nonoperating Expenditures				
	-	-	-	-
Increase (Decrease in Cash and Investments)				
	905	2,926	(1,219)	(39,990)
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	1,565	166,116	37,718	60,996

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	135 Probation District Court II	199 Criminal Justice	199 Local Criminal Justice	199 Trial Court Improvements
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10 Reserved	\$ -	\$ -	\$ -	\$ -
308.80 Unreserved	20,605	152,168	211,687	33,934
Prior Period Adjustments (388.80 and 588.80)				
	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	593,474	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	510,474	22,984	38,116
340 Charges for Goods and Services	16,572	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	-	-	-
370 Capital Contributions	-	-	-	-
Total Operating Revenues				
	16,572	510,474	616,458	38,116
Operating Expenditures				
510 General Government	25,120	-	-	-
520 Public Safety	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures				
	25,120	-	-	-
Net Operating Increase (Decrease)				
	(8,548)	510,474	616,458	38,116
Nonoperating Revenues				
391-393 Debt Proceeds	-	-	-	-
370, 380, 395, 398 Other Financing Sources	-	-	-	-
397 Transfers In	-	-	-	-
Total Nonoperating Revenues				
	-	-	-	-
Nonoperating Expenditures				
591-593 Debt Service	-	-	-	-
594-595 Capital Expenditures	-	-	-	-
580, 596, 599 Other Financing Uses	-	-	-	-
597 Transfers Out	-	500,000	700,000	50,000
Total Nonoperating Expenditures				
	-	500,000	700,000	50,000
Increase (Decrease in Cash and Investments)				
	(8,548)	10,474	(83,542)	(11,884)
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	12,057	162,642	128,145	22,050

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, 2012

BARS CODE		Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
		199 Veteran's Relief	199 Federal Forest Replacement	199 Hotel/Motel Tax	199 Opportunity
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
	308.10	\$ -	\$ -	\$ -	\$ -
	308.80	229,597	41,543	319,994	1,371,708
Prior Period Adjustments (388.80 and 588.80)					
		-	-	-	-
Revenues and Other Sources					
	310	85,342	-	400,304	850,212
	320	-	-	-	-
	330	8	10,931	-	-
	340	-	-	-	40,126
	350	-	-	-	-
	360	1,753	-	-	2,082
	370	-	-	-	-
Total Operating Revenues		87,103	10,931	400,304	892,420
Operating Expenditures					
	510	-	-	-	-
	520	-	-	-	-
	530	-	41,855	-	-
	540	-	-	-	-
	550	135,268	-	346,424	8,630
	560	-	-	-	-
	570	-	-	-	-
Total Operating Expenditures		135,268	41,855	346,424	8,630
Net Operating Increase (Decrease)		(48,165)	(30,924)	53,880	883,790
Nonoperating Revenues					
	391-393	-	-	-	-
	370, 380, 395, 398	6,597	-	-	-
	397	-	-	-	15,393
Total Nonoperating Revenues		6,597	-	-	15,393
Nonoperating Expenditures					
	591-593	-	-	-	48,194
	594-595	-	-	-	-
	580, 596, 599	-	-	-	-
	597	-	-	-	1,015,000
Total Nonoperating Expenditures		-	-	-	1,063,194
Increase (Decrease in Cash and Investments)		(41,568)	(30,924)	53,880	(164,011)
Ending Cash and Investments					
	508.10	-	-	-	-
	508.80	188,029	10,619	373,874	1,207,697

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	199 Emergency Communication Tax	254 RID #142	256 RID #141	259 LMD #1
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10	Reserved	\$ -	\$ -	\$ -
308.80	Unreserved	418,110	2,398	2,082
Prior Period Adjustments (388.80 and 588.80)				
		-	-	-
Revenues and Other Sources				
310	Taxes	936,839	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous	751	378	3,488
370	Capital Contributions	-	-	-
Total Operating Revenues		937,590	378	3,488
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	873,679	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental and Physical Health	-	-	-
570	Culture and Recreation	-	-	-
Total Operating Expenditures		873,679	-	-
Net Operating Increase (Decrease)		63,911	378	3,488
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
370, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	-	-
Total Nonoperating Revenues		-	-	-
Nonoperating Expenditures				
591-593	Debt Service	-	2,398	2,082
594-595	Capital Expenditures	-	-	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	2,398	2,082
Increase (Decrease in Cash and Investments)		63,911	(2,020)	1,406
Ending Cash and Investments				
508.10	Reserved	-	-	-
508.80	Unreserved	482,021	378	3,488

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	261 RID#138	274 RID #149	295 LID #2007-1	301 Real Estate Excise Tax Projects
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10 Reserved	\$ -	\$ -	\$ -	\$ -
308.80 Unreserved	98	1,795	15,888	1,490,320
Prior Period Adjustments (388.80 and 588.80)				
	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	-	-	764,600
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	45,000
340 Charges for Goods and Services	-	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	92	1,666	19,553	328
370 Capital Contributions	-	-	-	-
Total Operating Revenues				
	92	1,666	19,553	809,928
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				
	-	-	-	-
Net Operating Increase (Decrease)				
	92	1,666	19,553	809,928
Nonoperating Revenues				
391-393 Debt Proceeds	-	-	-	-
370, 380, 395, 398 Other Financing Sources	-	-	-	-
397 Transfers In	-	-	-	-
Total Nonoperating Revenues				
	-	-	-	-
Nonoperating Expenditures				
591-593 Debt Service	98	1,795	15,393	-
594-595 Capital Expenditures	-	-	-	1,795,341
580, 596, 599 Other Financing Uses	-	-	-	-
597 Transfers Out	-	-	-	-
Total Nonoperating Expenditures				
	98	1,795	15,393	1,795,341
Increase (Decrease in Cash and Investments)				
	(6)	(129)	4,160	(985,413)
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	92	1,666	20,048	504,907

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, 2012

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	306 Dungeness Estuary	307 Capital Projects Info Tech
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
	308.10	\$ -	\$ -	\$ -	\$ -
	308.80	2,470,077	2,179,948	90,376	795,790
Prior Period Adjustments (388.80 and 588.80)					
		-	-	-	-
Revenues and Other Sources					
	310	764,268	-	-	-
	320	-	-	-	-
	330	-	-	91,134	-
	340	-	15,750	-	21,914
	350	-	-	-	-
	360	-	-	-	-
	370	-	-	-	-
Total Operating Revenues		764,268	15,750	91,134	21,914
Operating Expenditures					
	510	-	-	-	-
	520	-	-	-	-
	530	-	-	-	-
	540	-	-	-	-
	550	-	-	1,510	-
	560	-	-	-	-
	570	-	-	-	-
Total Operating Expenditures		-	-	1,510	-
Net Operating Increase (Decrease)		764,268	15,750	89,624	21,914
Nonoperating Revenues					
	391-393	-	-	-	-
	370, 380, 395, 398	-	-	-	-
	397	-	180,000	-	-
Total Nonoperating Revenues		-	180,000	-	-
Nonoperating Expenditures					
	591-593	-	-	-	-
	594-595	500,000	62,737	-	230,441
	580, 596, 599	-	-	-	-
	597	-	-	180,000	-
Total Nonoperating Expenditures		500,000	62,737	180,000	230,441
Increase (Decrease in Cash and Investments)		264,268	133,013	(90,376)	(208,527)
Ending Cash and Investments					
	508.10	-	-	-	-
	508.80	2,734,345	2,312,961	-	587,263

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, 2012

BARS CODE	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	308 Carlsborg Sewer Project	402 Solid Waste	414 Clallam Bay - Sekiu Sewer	503 Equipment Rental and Revolving
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10	Reserved	\$ -	\$ -	\$ -
308.80	Unreserved	3,960,056	22,440	388,753
				3,286,822
Prior Period Adjustments (388.80 and 588.80)				
		-	-	-
Revenues and Other Sources				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental	-	39,505	(2,279)
340	Charges for Goods and Services	-	-	258,371
350	Fines and Penalties	-	-	405,028
360	Miscellaneous	-	64	-
370	Capital Contributions	-	-	4,273
				5,000
Total Operating Revenues		-	39,569	265,365
Operating Expenditures				
510	General Government	-	-	86,670
520	Public Safety	-	-	-
530	Physical Environment	154,497	29,187	325,270
540	Transportation	-	-	2,198,480
550	Economic Environment	-	-	-
560	Mental and Physical Health	-	-	-
570	Culture and Recreation	-	-	-
Total Operating Expenditures		154,497	29,187	325,270
Net Operating Increase (Decrease)		(154,497)	10,382	(59,905)
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
370, 380, 395, 398	Other Financing Sources	-	-	2,298
397	Transfers In	1,000,000	7,126	33,334
Total Nonoperating Revenues		1,000,000	7,126	33,334
Nonoperating Expenditures				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	8,441
580, 596, 599	Other Financing Uses	-	-	343
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	-	8,441
Increase (Decrease in Cash and Investments)		845,503	17,508	(35,012)
Ending Cash and Investments				
508.10	Reserved	-	-	-
508.80	Unreserved	4,805,559	39,948	353,741
				2,766,996

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, 2012

BARS CODE		Fund Number and Title	Fund Number and Title	Fund Number and Title
		504 Risk Management	505 Workers' Compensation Claims	506 Employee Health Care Benefit
		Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments				
308.10	Reserved	\$ -	\$ -	\$ -
308.80	Unreserved	1,124,185	863,507	42,611
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	1,074,778	433,981	30,597
370	Capital Contributions	-	-	-
Total Operating Revenues		1,074,778	433,981	30,597
Operating Expenditures				
510	General Government	1,004,946	356,258	23,906
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental and Physical Health	-	-	-
570	Culture and Recreation	-	-	-
Total Operating Expenditures		1,004,946	356,258	23,906
Net Operating Increase (Decrease)		69,832	77,723	6,691
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
370, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	-	-
Total Nonoperating Revenues		-	-	-
Nonoperating Expenditures				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	50,000	-	-
Total Nonoperating Expenditures		50,000	-	-
Increase (Decrease in Cash and Investments)		19,832	77,723	6,691
Ending Cash and Investments				
508.10	Reserved	-	-	-
508.80	Unreserved	1,144,017	941,230	49,302

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, 2012

BARS CODE	Total for All Funds	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount	Fund Number and Title	Actual Amount
308	Beginning Cash and Investments		58,874		1,434,303		1,343,000		29,256
388/588	Prior Period Adjustments		-		-		-		-
310-360	Revenues		5,464		-		-		54
370-390	Other Increases and Financing Sources		-		-		50,000		-
510-570	Expenditures		1,456		-		-		-
580-590	Other Decreases and Financing Uses		-		-		-		-
	Increase (Decrease) in Cash and Investments		4,008		-		50,000		54
508	Ending Cash and Investments		62,883		1,434,303		1,393,000		29,309

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, 2012

	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
	633 Inmate Commissary	633 Drug Task Force Suspende	690 Private Timber Harvest Tax	690 School Real Estate Excise Tax	690 Surplus Tax Sale	690 Tax Refund	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	127,519	6,582	160,957	25,248	74,163	57,834	
Prior Period Adjustments	-	-	-	-	-	-	-
Revenues	51,846	(55)	1,929,306	4,772,310	103,328	(184)	
Other Increases and Financing Sources	-	-	-	-	-	-	-
Expenditures	54,277	-	1,837,072	4,785,392	-	-	-
Other Decreases and Financing Uses	-	-	-	-	-	-	-
Increase (Decrease) in Cash and Investments	(2,431)	(55)	92,234	(13,083)	103,328	(184)	
Ending Cash and Investments	125,088	6,527	253,191	12,166	177,492	57,650	

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, 2012

	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 Real Estate Tax Suspense	691 State Document Preservation	691 State Auditor Surcharge	691 State Mortgage Lending Fraud	691 State Community Development	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	6,230	80,717	2,415	4,832	244	95	
Prior Period Adjustments	-	-	-	-	-	-	
Revenues	(2,728)	(44,076)	29,555	59,120	2,815	1,638	
Other Increases and Financing Sources	-	-	-	-	-	-	
Expenditures	-	-	29,342	58,696	2,799	1,602	
Other Decreases and Financing Uses	-	-	-	-	-	-	
Increase (Decrease) in Cash and Investments	(2,728)	(44,076)	213	424	16	36	
Ending Cash and Investments	3,502	36,640	2,628	5,256	260	131	

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, 2012

	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 Housing Trust	691 State District Court	691 State Fire Patrol	691 State General Schools	691 State Juvenile Judicial Info System	691 State Judicial Info System	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	15,986	35,745	1,893	580,392	5,700	4,217	
Prior Period Adjustments	-	-	-	-	-	-	
Revenues	199,537	542,061	325,628	19,130,678	98,944	68,855	
Other Increases and Financing Sources	-	-	-	-	-	-	
Expenditures	195,088	543,589	318,419	19,347,203	98,295	68,734	
Other Decreases and Financing Uses	-	-	-	-	-	-	
Increase (Decrease) in Cash and Investments	4,449	(1,528)	7,209	(216,525)	649	121	
Ending Cash and Investments	20,434	34,217	9,101	363,867	6,349	4,338	

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, 2012

	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 Marriages	691 State Superior Court	691 State Survey	691 State Vital Statistics	691 State School Safety Zone	697 Franchise Suspense	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	270	12,658	694	10,334	223	32,603	
Prior Period Adjustments	-	-	-	-	-	-	
Revenues	6,420	182,427	7,782	72,405	3,862	49	
Other Increases and Financing Sources	-	-	-	-	-	-	
Expenditures	6,165	181,196	7,904	76,740	3,986	-	
Other Decreases and Financing Uses	-	-	-	-	-	-	
Increase (Decrease) in Cash and Investments	255	1,231	(122)	(4,335)	(124)	49	
Ending Cash and Investments	525	13,889	572	5,999	99	32,652	

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, 2012

	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title	Fund Number and Title
	697 Retainage Suspense	697 Treasurer General Suspense	697 Western Cable Suspense	697 Heart of the Hills Water Suspense	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	127,877	200	14,489	18,356	
Prior Period Adjustments	-	-	-	-	-
Revenues	(28,490)	3,463	57	92	
Other Increases and Financing Sources	-	-	-	-	-
Expenditures	-	-	-	-	-
Other Decreases and Financing Uses	-	-	-	-	-
Increase (Decrease) in Cash and Investments	(28,490)	3,463	57	92	
Ending Cash and Investments	99,387	3,663	14,546	18,448	

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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 include 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 how they are to be spent 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. Fund balance that is not noted as non-spendable, restricted, or committed is available for immediate use.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

General Fund (00100)

This is the county's general operating fund; accounting for all financial resources and transactions except those required to be accounted for in another fund.

Special Revenue Funds (10000)

These 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)

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

Capital Project Funds (30000)

These 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.

Nonexpendable Trust Funds (60100-61000)

These funds earn revenue on behalf of the parties for which the trust was established and are accounted for in essentially the same manner as proprietary funds, but with capital maintenance as a primary consideration.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

Pension Trust Funds (61100-62000)

These accounts 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)

These 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)

These funds 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 cash is paid.

Purchases of capital assets are expensed at the time 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 64 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 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 Clallam County Code Article IX and RCW 36.40. The steps in the budget process are as follows:

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

- 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 132 times during 2012.

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
GENERAL FUND			
ASSESSOR	1,170,459	1,130,236	40,223
AUDITOR	1,074,480	1,015,557	58,923
TREASURER	654,706	565,627	89,079
BOCC OPERATIONS	573,188	552,399	20,789
BOUNDARY REVIEW BOARD	3,630	100	3,530
PORT CRESCENT CEMETARY	13,780	5,319	8,461
BOARD OF EQUALIZATION	55,093	46,717	8,376
NON-DEPARTMENTAL	1,534,979	1,131,686	403,293
OPERATING TRANSFERS OUT	608,140	608,140	-
DCD ADMINISTRATION	241,596	227,363	14,233
DCD ENVIRONMENTAL QUALITY	1,490,729	700,793	789,936
DCD PERMIT CENTER	728,495	671,124	57,371
DCD LONG RANGE PLANNING	524,219	326,624	197,545
HEARING EXAMINER	75,955	75,732	223
INFORMATION TECHNOLOGY	1,201,513	1,086,412	115,101
HUMAN RESOURCEAS	741,548	604,695	136,853
ENVIRONMENTAL HEALTH	1,452,152	1,106,614	345,538
SHERIFF OPERATIONS	4,676,208	4,585,266	91,942
SHERIFF COMMUNITY PROJECTS	261,956	210,785	51,171
ANIMAL CONTROL	182,898	171,979	10,921
SEARCH & RESCUE	18,150	11,431	6,719
JAIL	3,183,424	3,081,166	102,257
JAIL MEDICAL	494,539	407,973	86,566
EMERGENCY SERVICES	225,532	202,551	22,981
INDIGENT DEFENSE	892,259	892,259	-
PROSECUTING ATTORNEY	1,542,811	1,442,949	99,862
CHILD SUPPORT	211,592	197,331	14,261
CORONER	151,800	76,733	75,067
JUVENILE SERVICES	2,798,427	2,717,154	81,273
SUPERIOR COURT	1,373,329	1,328,675	44,654
DISTRICT COURT I	662,454	633,875	28,579
DISTRICT COURT II	288,361	283,630	4,730
CLERK	709,031	678,794	30,237
PARKS AND FACILITIES	1,772,584	1,718,777	53,807
FAIR	367,158	338,791	28,367
WSU EXTENSION	56,249	50,749	5,500
TOTAL GENERAL FUND	32,013,424	28,885,386	3,128,037
ROADS	20,591,737	11,281,482	9,310,255
FLOOD CONTROL	15,507	3,141	12,366
SHERIFF'S HONOR GUARD DONATION	3,911	-	3,911
RECREATIONAL AND BOATING FUND	94,006	82,262	11,744
SHERIFF OFFICE DRUG FUND	12,669	3,012	9,657
SHERIFF OPNET DRUG FUND	464,471	351,243	113,228
SHERIFF EQUIPMENT RESERVE	203,402	117,019	86,383
NINE-ONE-ONE ENHANCED	649,480	649,480	-
OPSCAN OPERATIONS	114,278	99,746	14,541
SHERIFF PSIC GRANT	1,333,198	575,190	758,008



Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
SHERIFF STONEGARDEN GRANT	1,243,508	226,147	1,019,361
SHERIFF PORT SECURITY GRANT	311,970	57,289	254,681
HEALTH & HUMAN SERVICES	1,678,809	1,487,097	191,712
ALCOHOL/DRUG ABUSE	1,261,524	858,143	403,381
HOMELESS TASK FORCE	332,992	312,383	20,609
CHEMICAL DEPENDENCY	1,447,193	1,183,550	263,643
AFFORDABLE HOUSING	100,000	90,374	9,626
DEVELOPMENTAL DISABILITIES	1,114,614	842,580	272,034
LAW LIBRARY	40,494	19,173	21,321
CRIME VICTIM COMP/LOCAL	117,950	108,875	9,075
RACKETEERING FUND	133	25	108
SHORELINE BLOCK GRANT	37,370	28,227	9,143
TREASURER'S O & M	63,474	62,200	1,274
LAND ASSESSMENT	8,000	7,658	342
DOCUMENT PRESERVATION	133,411	52,037	81,374
DISPUTE RESOLUTION CENTER	13,000	8,240	4,760
COURTHOUSE FACILITATOR	13,587	9,689	3,898
NOXIOUS WEED CONTROL	209,763	182,360	27,403
LMD#2 LAKE SUTHERLAND	24,205	20,429	3,776
PROBATION DISTRICT COURT I	365,247	299,372	65,875
PROBATION DISTRICT COURT II	25,761	25,120	641
CRIMINAL JUSTICE	500,000	500,000	-
LOCAL CRIMINAL JUSTICE	700,000	700,000	-
TRIAL COURT IMPROVEMENTS	50,000	50,000	-
VETERANS' RELIEF	134,126	135,269	-1,143
FEDERAL FOREST REPLACEMENT	52,478	41,855	10,623
HOTEL/MOTEL TAX	378,500	346,424	32,076
OPPORTUNITY FUND	1,073,196	1,071,824	1,372
EMERGENCY COMMUNICATIONS TAX	1,185,600	873,678	311,922
R I D #142 BUSINESS PARK LOOP	2,480	2,398	82
R I D #141 SCHOOL HOUSE ROAD	2,084	2,082	2
LAKE DAWN MANAGEMENT	541	539	2
R I D #138 MARCH BANKS ROAD	200	98	102
R I D #149 OSBORN ROAD	2,378	1,795	583
THIRD STREET SEWER LINE	15,393	15,393	-
REAL ESTATE EXCISE TAX PROJECT	2,038,500	1,795,338	243,162
REAL ESTATE EXCISE TAX 2	2,050,000	500,000	1,550,000
CAPITAL PROJECTS	76,000	62,737	13,263
CAPITAL PROJECTS DUNGENESS	230,000	181,510	48,490
CAPITAL PROJECTS INFO TECH	463,691	221,745	241,946
CAPITAL PROJECTS CARLSBORG			
SEWER	6,364,513	2,915,826	3,448,687
SOLID WASTE	41,130	29,187	11,943
CLALLAM BAY-SEKIU SEWER	465,369	342,154	123,215
EQUIPMENT RENTAL & REVOLVING	3,775,732	3,016,253	759,479
RISK MANAGEMENT	1,551,413	1,054,946	496,467
WORKERS' COMPENSATION CLAIMS	756,123	356,258	399,865
EMPLOYEE HEALTH CARE BENEFIT	36,925	23,906	13,019

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

D. Cash

It is the county's policy to invest all temporary cash surpluses. At December 31, 2012, the Treasurer was holding \$49,609,817 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 County's contracts with employees call for the accumulation of vacation and sick leave, and for certain employees, compensatory time. In most cases at termination of employment, employees with required length of service will receive cash payment for accumulated vacation and compensatory time, and 10% of accumulated sick leave, (20% of sick leave if 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.

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.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

M. Fund Balance Classification

At December 31, 2012, the Clallam County Board of Commissioners had reserved part of the general fund's ending fund balance as follows:

Operating Liquidity	\$2,500,000
Civil Emergency	1,500,000
Insurance Deductible	1,000,000
Unplanned Capital	1,000,000
Employee Separation	500,000
Murder Trial Costs	1,000,000
 Total	 \$7,500,000

In addition The Alcohol and Drug Abuse fund and the Developmental disabilities fund had restrictions in their fund balances of \$102,294 and \$113,395 respectively for advances from the Washington State Department of Health and Human Services.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There were no material violations of finance-related or contractual provisions identified in 2012.

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.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

As of December 31, 2012 the County had the following investments:

	Fair value of County investments	Fair value of investments held by County as agent	Total
Demand Deposits	\$ 3,683,520	\$ 673,778	\$ 4,357,298
Time Deposits	27,884,866	9,670,973	37,555,839
US Government Securities	-	-	-
State Investment Pool	<u>18,197,758</u>	<u>36,183,583</u>	<u>54,381,341</u>
 Total	 <u>\$ 49,766,144</u>	 <u>\$ 46,528,334</u>	 <u>\$ 96,294,478</u>

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 \$395,995 in registered warrants issued by the William Shore Memorial Pool District, a Metropolitan Park District formed in 2009 in Port Angeles, Washington. See Note 17C.

The county did not use, hold, or sell any derivatives or similar instruments in 2012.

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.

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.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

Property Tax Calendar	
January 1	Taxes are levied and become an enforceable lien against properties.
February	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.

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 2012 was \$1.2567736571 per \$1,000 on a total assessed valuation of \$7,524,783,407 for a regular levy total of \$9,456,949. The total 2012 levy rate of \$1.2942236571 was comprised of four funds: Operating at \$1.2567736571; 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."

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

- C. At December 31, 2011 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$25,476. There were no new loans on this balance in 2012, and after payments of \$4,408 the balance at December 31, 2012 was \$21,068.

NOTE 6 – LONG-TERM DEBT

A. Opportunity Fund 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 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%. At December 31, 2012 the principal outstanding on this loan payable by the Opportunity Fund was \$584,768 due in annual payments of \$48,193.54 through 2025.

In 2009, the board of the Incubator determined that it 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 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 as part of an effort to secure new funding to continue the operation of the Incubator. This effort was not successful.

On November 20, 2012 the Port Angeles School District assumed the assets and liabilities of the Incubator, and in a simultaneous action, Clallam County forgave the \$733,541.08 balance of the original \$750,000 debt.

B. Changes In General Long-Term Liabilities:

This table summarizes the county's general debt transactions for 2012.

Category	Balance 12/31/11	Additions	Retirements	Balance 12/31/12
Compensated Absences for Governmental Activities and Business-Type Activities	\$ 2,487,076	\$ 153,801	\$ -	\$ 2,640,877

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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)	\$ 112,871,751
General Government (With 3/5 majority vote)	\$ 188,119,585

- 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.

The Washington State Department of Retirement Systems 2012 annual financial report presents historical trend and other information regarding each plan. 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 distinct pension programs: Plan I, Plan II, and Plan III. 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 investment earnings. Employees vest in their own contributions immediately and in their employer's contributions after completion of five years of eligible service.

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Notes to Financial Statements  
For the Year Ended December 31, 2012

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% 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 included, 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, 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 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.



Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

The county's contribution rates, as a percentage of covered payrolls, as of December 31, 2012 were:

	PERS Plan I	PERS Plan II	PERS Plan III
Employer*	7.21%	7.21%	**7.21%
Employee	6.00%	4.64%	***

\*The employer rates include the employer administration expense fees currently set at 0.16.

\*\*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
2012	\$ 55,992	\$ 1,019,062	\$ 138,527
2011	\$ 61,272	\$ 908,538	\$ 112,273
2010	\$ 70,021	\$ 797,660	\$ 107,367

**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:

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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 included, 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 of Plan II and to 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, 2012 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 administrative expense fees currently set at 0.16%.

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
2012	\$ -	\$ 127,596
2011	\$ -	\$ 120,115
2010	\$ -	\$ 120,631

**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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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 included, capped at 3% annually.

In 2011 required contributions to PSERS by employees and the County began at 6.55% and 7.85% and increased to 6.36% and 8.86% of employee pay, respectively.

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

Year	PSERS Plan II
2012	\$ 83,322
2011	\$ 73,162
2010	\$ 67,031

**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, 2012, the value of the Deferred Compensation Plan & Trust was \$11,666,094. The County also has a 401(a) Plan that has trust reserves of \$6,705,835.

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 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, 2012 the balances of these accounts totaled \$363,752. 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.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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 two 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 seven counties were members at December 31, 2012. 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 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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

Pool fiscal year are financed by proportional reassessments against that year's member counties. As of December 31, 2012, 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, 2012.

**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 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, 2012 was as follows:

Unemployment	\$ 117,811
Workers' Compensation	\$ 1,149,000

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

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, 2012.

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, 2012, are estimated by the Washington Counties Risk Pool to be \$864,942. 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, 2012.

NOTE 13 – SEGMENT INFORMATION

The county had no reportable segments as of December 31, 2012.

NOTE 14 - JOINT VENTURES

None at December 31, 2012.

NOTE 15 – LEOFF MEDICAL COSTS

Under the terms of LEOFF I, the county pays all the medical costs of its nine retired LEOFF I employees. These medical costs paid in 2012 totaled \$31,417. In addition, the county paid \$51,001 in medical insurance premiums for six of these retired employees in 2012. Only LEOFF I employees are eligible for this benefit.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2012

NOTE 16 - CLOSURE AND POSTCLOSURE CARE COST

None at December 31, 2012.

NOTE 17 - OTHER DISCLOSURES

A. Prior Period Adjustment

There were no prior period adjustments in the year ended December 31, 2012.

B. Accounting and Reporting Changes

There were no material changes in accounting principles or accounting estimates in the year ended December 31, 2012.

C. 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 2010, Clallam County entered into an agreement with the Pool District to purchase the Pool District's registered warrants until June 1, 2014 on a revolving basis and up to a limit of \$750,000 outstanding at any time. These registered warrants totaled \$395,995 at December 31, 2012 which is shown netted against cash in the Pool District's accounts in these financial statements. As of December 31, 2012, the Pool district was not in compliance with its repayment terms under this agreement and accordingly, the County is permitted to decline to purchase additional warrants until such time as the non-compliance is cured. During 2012 the County waived this non-compliance and purchased the Pool district's warrants, but is under no obligation to continue this in the future.

MCAG No. 0099

Clallam County  
 Schedule of Liabilities  
 For the Year Ended December 31, 2012

Schedule 09

ID. No.	Description	Maturity/Payment Due Date	Balance 12/31/2011	Additions	Reductions	BARS Code for Debt Redemption	Balance 12/31/2012
263.81	Washington State CERB Loan	Annual payments through 2025	\$ 626,695	\$ -	\$ 41,927	552.10.79.0010	\$ 584,768
259.11	Compensated Absenses	n/a	2,487,076	153,801	-		2,640,877
	<b>Total</b>		<b>\$ 3,113,771</b>	<b>\$ 153,801</b>	<b>\$ 41,927</b>		<b>\$ 3,225,645</b>



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2012**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Dept of Agriculture/Dept of Agriculture / WA State Office of the Superintendent of Public Instruction	National School Lunch Program	10.555	05-121-9761	36,791		36,791	
Dept of Agriculture/Dept of Agriculture / Wa State Dept of Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C14942	9,037		9,037	
Dept of Agriculture/Dept of Agriculture / Wa State Dept of Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C16879	256,006		256,006	
<b>Total CFDA 10.557</b>				<b>265,043</b>	<b>0</b>	<b>265,043</b>	
Dept of Agriculture/Dept of Agriculture / Wa State Dept of Health	Special Supplemental Nutrition Program for Women, Infants, and Children Administration	10.572	C16879	190		190	
Dept of Agriculture/Dept of Agriculture / Olympic National Forest	Schools and Roads - Grants to States	10.665	08-PA-11060900-003	67,699		67,699	
Dept of Agriculture	Schools and Roads - Grants to States	10.665	Title II		70,855	70,855	
Dept of Agriculture	Schools and Roads - Grants to States	10.665	Title I		464,523	464,523 *	
Dept of Agriculture	Schools and Roads - Grants to States	10.665	Title III		10,930	10,930	
<b>Total CFDA 10.665</b>				<b>67,699</b>	<b>546,308</b>	<b>614,007</b>	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2012

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures		Footnote Ref
				From Pass-Through Awards	From Direct Awards	
Dept of Agriculture/Dept of Agriculture / Olympic National Forest	Schools and Roads Grants to Counties	10.666	07-CA-11060900-029	1,868		1,868
Dept of Commerce/Dept of Commerce / State of WA Dept of Ecology	Coastal Zone Management Administration Awards	11.419	G1200004	34,679		34,679
Dept of Commerce/Dept of Commerce / WA State Recreation and Conservation Office	Pacific Coast Salmon Recovery / Pacific Coast Salmon Treaty Program	11.438	11-1486P	142,211		142,211
Dept of Commerce/Dept of Commerce / WA State Recreation and Conservation Office	Pacific Coast Salmon Recovery / Pacific Coast Salmon Treaty Program	11.438	11-1487P	26,162		26,162
<b>Total CFDA 11.438</b>				<b>168,373</b>	<b>0</b>	<b>168,373</b>
Dept of Commerce/Dept of Commerce / WA State Military Dept	Public Safety Interoperable Communications Grant Program	11.555	E08-356	599,317		599,317 *
Dept of the Interior/Dept of the Interior / National Fish and Wildlife Foundation	Fish and Wildlife Management Assistance	15.608	2010-0060-049	21,026		21,026
Dept of the Interior/Dept of the Interior / WA State Dept of Fish and Wildlife	Coastal Wetlands Planning, Protection, and Restoration Act	15.614	05-1296	10,398		10,398
Dept of Justice /Dept of Justice / WA State Patrol	Domestic Cannabis Eradication/Suppression	16.000	C120802FED	2,000		2,000
Dept of Justice /Dept of Justice / WA State Dept of Social and Health Services	Juvenile Accountability Block Grants	16.523	0663-99177	10,447		10,447
Dept of Justice /Dept of Justice / WA State Dept of Commerce	Violence Against Women Formula Grants	16.588	F11-31103-071	13,433		13,433

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2012

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures		Footnote Ref
				From Pass-Through Awards	From Direct Awards	
Dept of Justice	State Criminal Alien Assistance Program	16.606	2012-AP-BX-0427		4,402	4,402
Dept of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1354		4,701	4,701
Dept of Justice /Dept of Justice / WA State Dept of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M11-34021-005 & M12-34021-005	115,609		115,609
<b>Total CFDA 16.738</b>				<b>115,609</b>	<b>4,701</b>	<b>120,310</b>
Dept of Justice	ARRA Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-2961		3,695	3,695
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	SB-WASB (805) / LA7005	11,500		11,500
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	SB-WA11 (010) / LA7630	509		509
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	STPR-2005 (081)/ LA7688	15,887		15,887
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	BHS-Q054(002) / LA7394	1,245		1,245
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	HSIP-05AG (001) / LA-7721	11,516		11,516
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	HSIP-Q057 (001) / LA-7524	18,503		18,503

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2012

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures		Footnote Ref
				From Pass-Through Awards	From Direct Awards	
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	HSIP-0005 (292) / LA-7527	46		46
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	BHS-Q052(009) / LA7665	349		349
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	STPE-2005 (082) / LA-7710	217,000		217,000
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	STPR-05 / LA6760	821,220		821,220 *
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	ER0801(134) / LA7214	231,174		231,174
Dept of Transportation/Dept of Transportation / WA State Dept of Transportation	Highway Planning and Construction	20.205	STPR-2005(080) / LA7743	106,022		106,022
<b>Total CFDA 20.205</b>				<b>1,434,971</b>	<b>0</b>	<b>1,434,971</b>
Dept of Transportation/Dept of Transportation / WA Assoc of Sheriffs and Police Chiefs	State and Community Highway Safety	20.600	N/A	3,654		3,654
Dept of Transportation/Dept of Transportation / WA Traffic Safety Commission	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.600	N/A	2,882		2,882
Dept of Transportation/Dept of Transportation / WA Traffic Safety Commission	State and Community Highway Safety	20.600	CP12-03	32,725		32,725
<b>Total CFDA 20.600</b>				<b>39,261</b>	<b>0</b>	<b>39,261</b>

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2012**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures		Footnote Ref
				From Pass-Through Awards	From Direct Awards	
Dept of Transportation/Dept of Transportation / WA Traffic Safety Commission	Occupant Protection Incentive Grants	20.602	N/A	433		433
Dept of Transportation/Dept of Transportation / WA State Military Dept	Hazardous Materials Emergency Preparedness	20.703	E12-156	5,843		5,843
Environmental Protection Agency	Puget Sound Watershed Management Assistance	66.120	PO-00J08801-0		188,440	188,440
Environmental Protection Agency/Environmental Protection Agency/Jefferson County	Puget Sound Watershed Management Assistance	66.120	100511-11-JCEPA	32,210		32,210
<b>Total CFDA 66.120</b>				<b>32,210</b>	<b>188,440</b>	<b>220,650</b>
Environmental Protection Agency/Environmental Protection Agency / WA State Dept Fish and Wildlife	Puget Sound Action Agenda	66.123	PC-00J29801-0/10 1744	3,256		3,256
Environmental Protection Agency/Environmental Protection Agency / WA State Dept of Health	Pathogen Reduction EPS	66.123	C16879	32,201		32,201
Environmental Protection Agency/Environmental Protection Agency / WA State Dept of Health	Onsite Sewage Management	66.123	C16879	71,796		71,796
Environmental Protection Agency/Environmental Protection Agency / WA State Dept of Health	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C16879	9,580		9,580
<b>Total CFDA 66.123</b>				<b>116,833</b>	<b>0</b>	<b>116,833</b>

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2012**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Environmental Protection Agency	Targeted Watershed Grants	66.439	WS- 96074701-0		25,242	25,242	
Environmental Protection Agency/Environmental Protection Agency/ WA State Dept of Ecology	Marine Resources committee	66.456	G1300045	15,984		15,984	
Environmental Protection Agency/Environmental Protection Agency / WA State Dept of Health	Capitalization Grants for Drinking Water State Revolving Funds	66.468	C16879	3,500		3,500	
Environmental Protection Agency/Environmental Protection Agency / WA State Dept of Health	Capitalization Grants for Drinking Water State Revolving Funds	66.468	C16879	3,000		3,000	
<b>Total CFDA 66.468</b>				<b>6,500</b>	<b>0</b>	<b>6,500</b>	
Dept of Energy/Dept of Energy / WA State Dept of Commerce	ARRA Energy Efficiency and Conservation Block Grant Program	81.128	F10-52110-159	15,003		15,003	6
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Health	Public Health Emergency Preparedness	93.069	C16879	54,954		54,954	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1163-24766	38,071		38,071	4
Dept of Health and Human Services/Dept of Health and Human Services/ WA State Dept of Health	Immunization Grants	93.268	C16879	4,120		4,120	
Dept of Health and Human Services/Dept of Health and Human Services/ WA State Dept of Health	VFC Operations	93.268	C16879	7,864		7,864	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2012**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Dept of Health and Human Services/Dept of Health and Human Services/ WA State Dept of Health	Immunization Grants	93.268	C16879	17,268		17,268	
Dept of Health and Human Services/Dept of Health and Human Services/ WA State Dept of Health	Immunization Grants	93.268	Vaccine in Lieu of Cash	70,383		70,383	
<b>Total CFDA 93.268</b>				<b>99,635</b>	<b>0</b>	<b>99,635</b>	
Dept of Health and Human Services	Drug Free Communities Support Program Grants	93.276	N/A		126,399	126,399	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Strengthening Public health Infrastructure	93.507	C16879	160		160	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Strengthening Public health Infrastructure	93.507	C16879	8,892		8,892	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Strengthening Public health Infrastructure	93.507	C16879	758		758	
<b>Total CFDA 93.507</b>				<b>9,810</b>	<b>0</b>	<b>9,810</b>	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Child Support Enforcement	93.563	2110-80577	143,121		143,121	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Child Support Enforcement	93.563	0763-15052-01	22,132		22,132	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2012**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Child Support Enforcement	93.563	0763-15052-01	44,219		44,219	
<b>Total CFDA 93.563</b>				<b>209,472</b>	<b>0</b>	<b>209,472</b>	
Dept of Health and Human Services/Dept of Health and Human Services / State of WA Office of the Secretary of State, Elections Division	Voting Access for Individuals with Disabilities Grants to States	93.617	N/A	18,780		18,780	
Dept of Health and Human Services/Dept of Health and Human Services / State of WA Office of the Secretary of State, Elections Division	Voting Access for Individuals with Disabilities Grants to States	93.617	N/A	35,000		35,000	
<b>Total CFDA 93.617</b>				<b>53,780</b>	<b>0</b>	<b>53,780</b>	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Medical Assistance Program	93.778	02-68MAA	13,029		13,029	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Medical Assistance Program	93.778	02-68MAA	10,108		10,108	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Medical Assistance Program	93.778	1163-35226	36,721		36,721	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Social and Health Services	Medical Assistance Program	93.778	0763-20239 & 0963-68024	130,447		130,447	4
<b>Total CFDA 93.778</b>				<b>190,305</b>	<b>0</b>	<b>190,305</b>	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2012**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Dept of Health and Human Services/Dept of Health and Human Services / Clark County Public Health	HIV Care Formula Grants	93.917	C16879	57,819		57,819	
Dept of Health and Human Services/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	1163-27294	93,966		93,966	
Dept of Health and Human Services/Dept of Health and Human Services / WA State Dept of Health	Maternal Child Health	93.994	C16879	69,372		69,372	
Dept of Homeland Security/Dept of Homeland Security / WA State Parks and Recreation Commission	Boating Safety Financial Assistance	97.012	LE911-202	49,263		49,263	
Dept of Homeland Security/Dept of Homeland Security / WA State Military Dept	Emergency Management Performance Grants	97.042	E12-301	21,589		21,589	
Dept of Homeland Security/Dept of Homeland Security / Marine Exchange of Puget Sound	Port Security Grant Program	97.056	2010-PU-TO-K033-1J3 & 1J4	57,289		57,289	
Dept of Homeland Security/Dept of Homeland Security / WA Commission for National and Community Service	Homeland Security Grant Program	97.067	E10-297, E12-232, E12-133, & E12-282	227,510		227,510	
Dept of Homeland Security/Dept of Homeland Security / WA State Military Dept	Homeland Security Grant Program	97.067	K692, E11-107, & E10-102	93,842		93,842	
<b>Total CFDA 97.067</b>				<b>321,352</b>	<b>0</b>	<b>321,352</b>	
<b>Total Federal Awards Expended:</b>				<b>4,340,588</b>	<b>899,187</b>	<b>5,239,775</b>	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

CLALLAM COUNTY

Notes to Schedule 16

For the Year Ended December 31, 2012

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 - American Recovery and Reinvestment Act (ARRA) of 2009

Expenditures for this program were funded by ARRA.



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

**State Auditor**  
**Chief of Staff**  
**Director of State and Local Audit**  
**Deputy Director of State and Local Audit**  
**Deputy Director of State and Local Audit**  
**Deputy Director of State and Local Audit**  
**Deputy Director of Quality Assurance**  
**Deputy Director of Communications**  
**Local Government Liaison**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Troy Kelley**  
**Doug Cochran**  
**Chuck Pfeil, CPA**  
**Kelly Collins, CPA**  
**Jan M. Jutte, CPA, CGFM**  
**Sadie Armijo**  
**Barb Hinton**  
**Thomas Shapley**  
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