

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

Clallam County

Audit Period
January 1, 2013 through December 31, 2013

Report No. 1012283

Issue Date
July 28, 2014



Washington State Auditor
Troy Kelley

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

July 28, 2014

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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Clallam County January 1, 2013 through December 31, 2013

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Federal Summary

Clallam County January 1, 2013 through December 31, 2013

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> |
|-----------------|---|
| 20.205 | Highway Planning and Construction Cluster - Highway Planning and Construction |
| 97.067 | Homeland Security Grant Program - Cluster |

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, 2013 through December 31, 2013**

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, 2013, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated July 24, 2014.

We issued an unmodified opinion on the fair presentation of the County's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the County using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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.

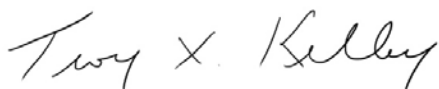
COMPLIANCE AND OTHER MATTERS

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

July 24, 2014

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, 2013 through December 31, 2013

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, 2013. 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, 2013.

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 cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

July 24, 2014

Independent Auditor's Report on Financial Statements

Clallam County January 1, 2013 through December 31, 2013

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, 2013, 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 financial reporting provisions of 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 opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Clallam County has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the 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, 2013, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the County used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clallam County, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2014 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.



TROY KELLEY
STATE AUDITOR

July 24, 2014

Financial Section

Clallam County
January 1, 2013 through December 31, 2013

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2013
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2013
Notes to Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2013
Schedule of Expenditures of Federal Awards – 2013
Notes to the Schedule of Expenditures of Federal Awards – 2013

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2013

| 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 | \$ 7,713,689 | \$ 7,500,000 | \$ - | \$ - |
| | 308.80 Unreserved | \$ 41,509,259 | \$ 2,982,746 | \$ 14,714,387 | \$ 4,395 |
| Prior Period Adjustments (388.80 and 588.80) | | | | | |
| | | - | - | - | - |
| Revenues and Other Sources | | | | | |
| 310 | Taxes | 27,594,167 | 14,583,385 | 7,207,237 | - |
| 320 | Licenses and Permits | 710,051 | 671,979 | 38,072 | - |
| 330 | Intergovernmental | 14,397,524 | 4,710,432 | 5,081,940 | - |
| 340 | Charges for Goods and Services | 12,896,509 | 6,871,904 | 105,996 | - |
| 350 | Fines and Penalties | 921,352 | 896,277 | - | - |
| 360 | Miscellaneous | 1,703,175 | 1,430,941 | 84,964 | - |
| Total Operating Revenues | | 58,222,778 | 29,164,918 | 12,518,209 | - |
| Operating Expenditures | | | | | |
| 510 | General Government | 14,570,282 | 12,477,519 | 85,459 | - |
| 520 | Public Safety | 14,978,772 | 12,239,348 | 500,347 | - |
| 530 | Physical Environment | 451,655 | - | - | - |
| 540 | Transportation | 9,362,761 | - | 7,389,841 | - |
| 550 | Economic Environment | 2,806,855 | 2,126,594 | 88,049 | - |
| 560 | Mental and Physical Health | 6,079,222 | 1,247,096 | - | - |
| 570 | Culture and Recreation | 2,146,470 | 2,119,331 | - | - |
| Total Operating Expenditures | | 50,396,017 | 30,209,888 | 8,063,696 | - |
| Net Operating Increase (Decrease) | | 7,826,761 | (1,044,970) | 4,454,513 | - |
| Nonoperating Revenues | | | | | |
| 391-393 | Debt Proceeds | 33,045 | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | 1,458,471 | 685,584 | 683,915 | - |
| 397 | Transfers In | 3,538,370 | 1,165,000 | 1,000,000 | - |
| Total Nonoperating Revenues | | 5,029,886 | 1,850,584 | 1,683,915 | - |
| Nonoperating Expenditures | | | | | |
| 591-593 | Debt Service | 53,953 | - | - | - |
| 594-595 | Capital Expenditures | 8,230,266 | 184,496 | 5,370,759 | - |
| 580, 596, 599 | Other Financing Uses | 19,660 | - | 94 | - |
| 597 | Transfers Out | 3,588,369 | 10,591 | 53,813 | - |
| Total Nonoperating Expenditures | | 11,892,248 | 195,087 | 5,424,666 | - |
| Increase (Decrease in Cash and Investments) | | 964,399 | 610,527 | 713,762 | - |
| Ending Cash and Investments | | | | | |
| 508.10 | Reserved | 8,118,514 | 7,924,249 | - | - |
| 508.80 | Unreserved | 42,068,833 | 3,169,024 | 15,428,149 | 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, 2013

| 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 | \$ 96,619 | \$ 102,466 | \$ 104,050 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| Revenues and Other Sources | | | | |
| 310 | Taxes | - | - | - |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | 73,455 | - | 168,220 |
| 340 | Charges for Goods and Services | 54,828 | - | - |
| 350 | Fines and Penalties | - | - | 25,075 |
| 360 | Miscellaneous | 3,779 | 93 | 30,340 |
| Total Operating Revenues | | 132,062 | 93 | 223,635 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | - |
| 520 | Public Safety | 119,035 | 15,232 | 220,657 |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | - | - | - |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | 119,035 | 15,232 | 220,657 |
| Net Operating Increase (Decrease) | | 13,027 | (15,139) | 2,978 |
| 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 | - | 13,008 | - |
| 580, 596, 599 | Other Financing Uses | - | - | - |
| 597 | Transfers Out | - | - | 106,341 |
| Total Nonoperating Expenditures | | - | 13,008 | 106,341 |
| Increase (Decrease in Cash and Investments) | | 13,027 | (28,147) | 2,978 |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 109,646 | 74,319 | 107,028 |

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, 2013

| 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 Operation Stonegarden | 110 Port Security |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 | Reserved | \$ - | \$ - | \$ - |
| 308.80 | Unreserved | 114,119 | 57,834 | 40 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| Revenues and Other Sources | | | | |
| 310 | Taxes | 653,552 | - | - |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | 74,205 | - | 820,302 |
| 340 | Charges for Goods and Services | - | 156,682 | - |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | 304 | - | - |
| Total Operating Revenues | | 728,061 | 156,682 | 820,302 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | - |
| 520 | Public Safety | 792,312 | 117,981 | 97,938 |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | - | - | - |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | 792,312 | 117,981 | 97,938 |
| Net Operating Increase (Decrease) | | (64,251) | 38,701 | 722,364 |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | - | - | - |
| 397 | Transfers In | - | 86,341 | - |
| Total Nonoperating Revenues | | - | 86,341 | - |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | - |
| 594-595 | Capital Expenditures | - | 43,430 | 721,329 |
| 580, 596, 599 | Other Financing Uses | - | - | - |
| 597 | Transfers Out | - | - | - |
| Total Nonoperating Expenditures | | - | 43,430 | 721,329 |
| Increase (Decrease in Cash and Investments) | | (64,251) | 81,612 | 1,035 |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 49,868 | 139,446 | 1,075 |
| | | | | 3,998 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|----------------------------------|-------------------------------|----------------------------|---|
| | 113 Health and Human Services | 113 Alcohol and Drug Abuse | 113 Homeless Task Force | 113 Chemical Dependency Mental Health |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 | Reserved | \$ - | \$ 100,294 | \$ - |
| 308.80 | Unreserved | 924,925 | 40,606 | 1,302,445 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| Revenues and Other Sources | | | | |
| 310 | Taxes | 1,051 | - | 984,858 |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | 874,143 | 841,185 | - |
| 340 | Charges for Goods and Services | 178,639 | 24,906 | 351,396 |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | 371 | 1,107 | 1,586 |
| Total Operating Revenues | | 1,054,204 | 867,198 | 351,396 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | - |
| 520 | Public Safety | - | - | - |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | 1,470,669 | 944,737 | 300,726 |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | 1,470,669 | 944,737 | 300,726 |
| Net Operating Increase (Decrease) | | (416,465) | (77,539) | 50,670 |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | - | 5,000 | - |
| 397 | Transfers In | - | 3,200 | - |
| Total Nonoperating Revenues | | - | 8,200 | - |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | - |
| 594-595 | Capital Expenditures | - | - | - |
| 580, 596, 599 | Other Financing Uses | - | 4,871 | - |
| 597 | Transfers Out | - | - | - |
| Total Nonoperating Expenditures | | - | 4,871 | - |
| Increase (Decrease in Cash and Investments) | | (416,465) | (74,210) | 50,670 |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | 95,423 | - |
| 508.80 | Unreserved | 508,460 | (28,733) | 257,512 |
| | | | | 1,198,534 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------|--------------------------------------|--------------------------|----------------------------------|
| | 113 Affordable Housing | 113 Developmental Disabilities | 114 Law Library | 117 Crime Victim Compensation |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 | Reserved | \$ - | \$ 113,395 | \$ - |
| 308.80 | Unreserved | 112,426 | 562,024 | 18,928 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| Revenues and Other Sources | | | | |
| 310 | Taxes | - | 179,502 | - |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | - | 637,484 | 62,481 |
| 340 | Charges for Goods and Services | 68,788 | 15,893 | 26,619 |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | - | 1,106 | 209 |
| Total Operating Revenues | | 68,788 | 833,985 | 26,828 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | 113,829 |
| 520 | Public Safety | - | - | - |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | 91,494 | 811,991 | - |
| 570 | Culture and Recreation | - | - | 27,139 |
| Total Operating Expenditures | | 91,494 | 811,991 | 27,139 |
| Net Operating Increase (Decrease) | | (22,706) | 21,994 | (311) |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | - | 6,896 | - |
| 397 | Transfers In | - | - | - |
| Total Nonoperating Revenues | | - | 6,896 | - |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | - |
| 594-595 | Capital Expenditures | - | - | - |
| 580, 596, 599 | Other Financing Uses | - | 14,553 | - |
| 597 | Transfers Out | - | - | - |
| Total Nonoperating Expenditures | | - | 14,553 | - |
| Increase (Decrease in Cash and Investments) | | (22,706) | 14,337 | (311) |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | 98,842 | - |
| 508.80 | Unreserved | 89,720 | 590,914 | 18,617 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------|------------------------------|---|--------------------------------------|
| | 119 Racketeering | 121 Shoreline Block Grant | 122 Treasurer Operation and Maintenance | 122 REET Electronic Technology |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| | 308.10 Reserved | \$ - | \$ - | \$ - |
| | 308.80 Unreserved | 1,690 | 27,458 | 169,717 |
| 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 | - | 54,786 | 12 |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | 3 | 237 | - |
| Total Operating Revenues | | 3 | - | 55,023 |
| Operating Expenditures | | | | |
| 510 | General Government | 23 | - | 73,120 |
| 520 | Public Safety | - | - | - |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | 6,050 | - |
| 560 | Mental and Physical Health | - | - | - |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | 23 | 6,050 | 73,120 |
| Net Operating Increase (Decrease) | | (20) | (6,050) | (18,097) |
| 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) | | (20) | (6,050) | (18,097) |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 1,670 | 21,408 | 151,620 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------|------------------------------|-------------------------------------|-------------------------------|
| | 122 Land Assessment | 124 Document Preservation | 129 Dispute Resolution Center | 129 Courthouse Facilitator |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| | 308.10 Reserved | \$ - | \$ - | \$ - |
| | 308.80 Unreserved | 23,506 | 346,680 | 1,415 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| Revenues and Other Sources | | | | |
| 310 | Taxes | 8,659 | - | - |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | - | 68,493 | - |
| 340 | Charges for Goods and Services | - | 41,604 | 11,415 |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | 33 | - | - |
| Total Operating Revenues | | 8,692 | 110,097 | 11,415 |
| Operating Expenditures | | | | |
| 510 | General Government | 9,031 | 59,263 | 12,050 |
| 520 | Public Safety | - | - | - |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | - | - | - |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | 9,031 | 59,263 | 12,050 |
| Net Operating Increase (Decrease) | | (339) | 50,834 | (635) |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | 571 | - | - |
| 397 | Transfers In | - | - | - |
| Total Nonoperating Revenues | | 571 | - | - |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | - |
| 594-595 | Capital Expenditures | - | 4,298 | - |
| 580, 596, 599 | Other Financing Uses | - | - | - |
| 597 | Transfers Out | - | - | - |
| Total Nonoperating Expenditures | | - | 4,298 | - |
| Increase (Decrease in Cash and Investments) | | 232 | 46,536 | (635) |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 23,738 | 393,216 | 780 |
| | | 440 | | |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|-----------------------------|-------------------------------|-----------------------------------|------------------------------------|
| | 130 Noxious Weed Control | 130 LMD #2 Lake Sutherland | 135 Probation District Court I | 135 Probation District Court II |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 Reserved | \$ - | \$ - | \$ - | \$ - |
| 308.80 Unreserved | 166,116 | 37,718 | 60,996 | 12,057 |
| Prior Period Adjustments (388.80 and 588.80) | - | - | - | - |
| Revenues and Other Sources | | | | |
| 310 Taxes | - | - | - | - |
| 320 Licenses and Permits | - | - | - | - |
| 330 Intergovernmental | 144,656 | - | - | - |
| 340 Charges for Goods and Services | 8,771 | - | 262,543 | - |
| 350 Fines and Penalties | - | - | - | - |
| 360 Miscellaneous | 93,184 | 18,935 | 105 | - |
| Total Operating Revenues | 246,611 | 18,935 | 262,648 | - |
| Operating Expenditures | | | | |
| 510 General Government | - | - | 226,115 | 12,057 |
| 520 Public Safety | - | - | - | - |
| 530 Physical Environment | - | - | - | - |
| 540 Transportation | - | - | - | - |
| 550 Economic Environment | 175,532 | 11,561 | - | - |
| 560 Mental and Physical Health | - | - | - | - |
| 570 Culture and Recreation | - | - | - | - |
| Total Operating Expenditures | 175,532 | 11,561 | 226,115 | 12,057 |
| Net Operating Increase (Decrease) | 71,079 | 7,374 | 36,533 | (12,057) |
| 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) | 71,079 | 7,374 | 36,533 | (12,057) |
| Ending Cash and Investments | | | | |
| 508.10 Reserved | - | - | - | - |
| 508.80 Unreserved | 237,195 | 45,092 | 97,529 | - |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------|-------------------------------|---------------------------------|--------------------------|
| | 199 Criminal Justice | 199 Local Criminal Justice | 199 Trial Court Improvements | 199 Veteran's Relief |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| | \$ - | \$ - | \$ - | \$ - |
| 308.10 | Reserved | | | |
| 308.80 | Unreserved | 162,642 | 128,145 | 22,050 |
| | | | | 188,029 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| | - | - | - | - |
| Revenues and Other Sources | | | | |
| 310 | Taxes | - | 655,810 | - |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | 601,539 | 24,964 | 38,392 |
| 340 | Charges for Goods and Services | - | - | - |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | - | - | 2,028 |
| Total Operating Revenues | | 601,539 | 680,774 | 38,392 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | - |
| 520 | Public Safety | - | - | - |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | - | - | 122,154 |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | - | - | 122,154 |
| Net Operating Increase (Decrease) | | 601,539 | 680,774 | 38,392 |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | - | - | 5,353 |
| 397 | Transfers In | - | - | - |
| Total Nonoperating Revenues | | - | - | 5,353 |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | - |
| 594-595 | Capital Expenditures | - | - | - |
| 580, 596, 599 | Other Financing Uses | - | - | - |
| 597 | Transfers Out | 500,000 | 600,000 | 30,000 |
| Total Nonoperating Expenditures | | 500,000 | 600,000 | 30,000 |
| Increase (Decrease in Cash and Investments) | | 101,539 | 80,774 | 8,392 |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 264,181 | 208,919 | 30,442 |
| | | | | 154,514 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------------|--------------------------|--------------------------|---------------------------------------|
| | 199 Federal Forest Replacement | 199 Hotel/Motel Tax | 199 Opportunity | 199 Emergency Communication Tax |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 | Reserved | \$ - | \$ - | \$ - |
| 308.80 | Unreserved | 10,619 | 373,874 | 1,207,697 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| Revenues and Other Sources | | | | |
| 310 | Taxes | - | 418,118 | 893,610 |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | 10,940 | - | - |
| 340 | Charges for Goods and Services | - | - | 20,568 |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | - | - | 2,166 |
| Total Operating Revenues | | 10,940 | 418,118 | 916,344 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | - |
| 520 | Public Safety | - | - | 846,079 |
| 530 | Physical Environment | - | - | - |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | 1,923 | 387,146 | 10,000 |
| 560 | Mental and Physical Health | - | - | - |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | 1,923 | 387,146 | 10,000 |
| Net Operating Increase (Decrease) | | 9,017 | 30,972 | 906,344 |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | 33,045 |
| 370, 380, 395, 398 | Other Financing Sources | - | - | - |
| 397 | Transfers In | - | - | 19,553 |
| Total Nonoperating Revenues | | - | - | 52,598 |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | 48,194 |
| 594-595 | Capital Expenditures | 10,300 | - | - |
| 580, 596, 599 | Other Financing Uses | - | - | - |
| 597 | Transfers Out | - | - | 48,045 |
| Total Nonoperating Expenditures | | 10,300 | - | 96,239 |
| Increase (Decrease in Cash and Investments) | | (1,283) | 30,972 | 862,703 |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 9,336 | 404,846 | 2,070,400 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 254 RID #142 | 256 RID #141 | 259 LMD #1 |
| | | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 Reserved | | \$ - | \$ - | \$ - |
| 308.80 Unreserved | | 378 | 3,488 | 134 |
| 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 | | 1,576 | 1,477 | - |
| Total Operating Revenues | | 1,576 | 1,477 | - |
| 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) | | 1,576 | 1,477 | - |
| 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 | | 379 | 3,488 | 134 |
| 594-595 Capital Expenditures | | - | - | - |
| 580, 596, 599 Other Financing Uses | | - | - | - |
| 597 Transfers Out | | - | - | - |
| Total Nonoperating Expenditures | | 379 | 3,488 | 134 |
| Increase (Decrease in Cash and Investments) | | 1,197 | (2,011) | (134) |
| Ending Cash and Investments | | | | |
| 508.10 Reserved | | - | - | - |
| 508.80 Unreserved | | 1,575 | 1,477 | - |

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, 2013

| BARS CODE | | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------|--------------------------|--------------------------|---|---------------------------------|
| | | 274 RID #149 | 295 LID #2007-1 | 301 Real Estate Excise Tax Projects | 302 Real Estate Excise Tax 2 |
| | | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | | |
| | 308.10 Reserved | \$ - | \$ - | \$ - | \$ - |
| | 308.80 Unreserved | 1,666 | 20,048 | 504,907 | 2,734,345 |
| Prior Period Adjustments (388.80 and 588.80) | | | | | |
| | | - | - | - | - |
| Revenues and Other Sources | | | | | |
| 310 | Taxes | - | - | 471,131 | 471,131 |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental | - | - | 102,057 | - |
| 340 | Charges for Goods and Services | - | - | 82,755 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous | 1,585 | 7,463 | 1,300 | 693 |
| Total Operating Revenues | | 1,585 | 7,463 | 657,243 | 471,824 |
| 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) | | 1,585 | 7,463 | 657,243 | 471,824 |
| 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 | 1,666 | - | - | - |
| 594-595 | Capital Expenditures | - | - | 424,166 | - |
| 580, 596, 599 | Other Financing Uses | - | - | - | - |
| 597 | Transfers Out | - | 19,553 | - | 1,250,000 |
| Total Nonoperating Expenditures | | 1,666 | 19,553 | 424,166 | 1,250,000 |
| Increase (Decrease in Cash and Investments) | | (81) | (12,090) | 233,077 | (778,176) |
| Ending Cash and Investments | | | | | |
| 508.10 | Reserved | - | - | - | - |
| 508.80 | Unreserved | 1,585 | 7,958 | 737,984 | 1,956,169 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|--------------------------------|--------------------------------------|--------------------------------|--------------------------|
| | 305 Capital Projects | 307 Capital Projects Info Tech | 308 Carlsborg Sewer Project | 402 Solid Waste |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| | \$ - | \$ - | \$ - | \$ - |
| 308.10 | Reserved | | | |
| 308.80 | Unreserved | 2,312,961 | 587,263 | 4,805,559 |
| | | | | 39,948 |
| Prior Period Adjustments (388.80 and 588.80) | | | | |
| | - | - | - | - |
| Revenues and Other Sources | | | | |
| 310 | Taxes | - | - | - |
| 320 | Licenses and Permits | - | - | - |
| 330 | Intergovernmental | - | 28,332 | - |
| 340 | Charges for Goods and Services | - | 33,044 | 39,057 |
| 350 | Fines and Penalties | - | - | - |
| 360 | Miscellaneous | - | - | 54 |
| Total Operating Revenues | | | | |
| | - | 61,376 | - | 39,111 |
| Operating Expenditures | | | | |
| 510 | General Government | - | - | - |
| 520 | Public Safety | - | - | - |
| 530 | Physical Environment | - | - | 61,151 |
| 540 | Transportation | - | - | - |
| 550 | Economic Environment | - | - | - |
| 560 | Mental and Physical Health | - | - | - |
| 570 | Culture and Recreation | - | - | - |
| Total Operating Expenditures | | | | |
| | - | - | 61,151 | 52,302 |
| Net Operating Increase (Decrease) | | | | |
| | - | 61,376 | (61,151) | (13,191) |
| Nonoperating Revenues | | | | |
| 391-393 | Debt Proceeds | - | - | - |
| 370, 380, 395, 398 | Other Financing Sources | - | - | - |
| 397 | Transfers In | 700,000 | 220,000 | 183,045 |
| Total Nonoperating Revenues | | | | |
| | 700,000 | 220,000 | 183,045 | - |
| Nonoperating Expenditures | | | | |
| 591-593 | Debt Service | - | - | - |
| 594-595 | Capital Expenditures | 49,124 | 455,055 | 102,146 |
| 580, 596, 599 | Other Financing Uses | - | - | - |
| 597 | Transfers Out | 220,000 | - | 700,002 |
| Total Nonoperating Expenditures | | | | |
| | 269,124 | 455,055 | 802,148 | - |
| Increase (Decrease in Cash and Investments) | | | | |
| | 430,876 | (173,679) | (680,254) | (13,191) |
| Ending Cash and Investments | | | | |
| 508.10 | Reserved | - | - | - |
| 508.80 | Unreserved | 2,743,837 | 413,584 | 4,125,305 |
| | | | | 26,757 |

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, 2013

| BARS CODE | Fund Number and Title | Fund Number and Title | Fund Number and Title | Fund Number and Title |
|--|----------------------------------|--|--------------------------|--|
| | 414 Clallam Bay - Sekiu Sewer | 503 Equipment Rental and Revolving | 504 Risk Management | 505 Workers' Compensation Claims |
| | Actual Amount | Actual Amount | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | | |
| 308.10 Reserved | \$ - | \$ - | \$ - | \$ - |
| 308.80 Unreserved | 353,741 | 2,766,996 | 1,144,017 | 941,230 |
| 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 | 280,842 | 2,459,306 | 1,074,742 | 419,908 |
| 350 Fines and Penalties | - | - | - | - |
| 360 Miscellaneous | 4,089 | 12,538 | - | - |
| Total Operating Revenues | 284,931 | 2,471,844 | 1,074,742 | 419,908 |
| Operating Expenditures | | | | |
| 510 General Government | - | - | 1,039,688 | 388,834 |
| 520 Public Safety | - | - | - | - |
| 530 Physical Environment | 338,202 | - | - | - |
| 540 Transportation | - | 1,972,920 | - | - |
| 550 Economic Environment | - | - | - | - |
| 560 Mental and Physical Health | - | - | - | - |
| 570 Culture and Recreation | - | - | - | - |
| Total Operating Expenditures | 338,202 | 1,972,920 | 1,039,688 | 388,834 |
| Net Operating Increase (Decrease) | (53,271) | 498,924 | 35,054 | 31,074 |
| Nonoperating Revenues | | | | |
| 391-393 Debt Proceeds | - | - | - | - |
| 370, 380, 395, 398 Other Financing Sources | 1,000 | 70,152 | - | - |
| 397 Transfers In | 100,000 | 60,715 | - | - |
| Total Nonoperating Revenues | 101,000 | 130,867 | - | - |
| Nonoperating Expenditures | | | | |
| 591-593 Debt Service | - | - | - | - |
| 594-595 Capital Expenditures | 47,873 | 776,830 | - | - |
| 580, 596, 599 Other Financing Uses | - | 142 | - | - |
| 597 Transfers Out | 5 | 19 | 50,000 | - |
| Total Nonoperating Expenditures | 47,878 | 776,991 | 50,000 | - |
| Increase (Decrease in Cash and Investments) | (149) | (147,200) | (14,946) | 31,074 |
| Ending Cash and Investments | | | | |
| 508.10 Reserved | - | - | - | - |
| 508.80 Unreserved | 353,592 | 2,619,796 | 1,129,071 | 972,304 |

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, 2013

| BARS CODE | | Fund Number and Title | Fund Number and Title |
|--|--|--|-------------------------------------|
| | | 506 Employee Health Care Benefit | 507 Unemployment Compensation |
| | | Actual Amount | Actual Amount |
| Beginning Net Cash and Investments | | | |
| | 308.10 Reserved | \$ - | \$ - |
| | 308.80 Unreserved | 49,302 | - |
| 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 | - | 203,975 |
| | 350 Fines and Penalties | - | - |
| | 360 Miscellaneous | - | - |
| Total Operating Revenues | | - | 203,975 |
| Operating Expenditures | | | |
| | 510 General Government | 20,376 | 35,803 |
| | 520 Public Safety | - | - |
| | 530 Physical Environment | - | - |
| | 540 Transportation | - | - |
| | 550 Economic Environment | - | - |
| | 560 Mental and Physical Health | - | - |
| | 570 Culture and Recreation | - | - |
| Total Operating Expenditures | | 20,376 | 35,803 |
| Net Operating Increase (Decrease) | | (20,376) | 168,172 |
| Nonoperating Revenues | | | |
| | 391-393 Debt Proceeds | - | - |
| | 370, 380, 395, 398 Other Financing Sources | - | - |
| | 397 Transfers In | 516 | - |
| Total Nonoperating Revenues | | 516 | - |
| 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) | | (19,860) | 168,172 |
| Ending Cash and Investments | | | |
| | 508.10 Reserved | - | - |
| | 508.80 Unreserved | 29,442 | 168,172 |

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, 2013

| 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 | | 4,228,113 | 62,883 | 1,434,303 | 1,393,000 | 29,309 | | |
| 388/588 | Prior Period Adjustments | | - | - | - | - | - | | |
| 310-360 | Revenues | | 28,151,082 | 1,856 | 14,619 | - | 44 | | |
| 370-390 | Other Increases and Financing Sources | | 50,000 | - | - | 50,000 | - | | |
| 510-570 | Expenditures | | 27,144,368 | 2,949 | - | - | - | | |
| 580-590 | Other Decreases and Financing Uses | | - | - | - | - | - | | |
| | Increase (Decrease) in Cash and Investments | | 1,056,713 | (1,093) | 14,619 | 50,000 | 44 | | |
| 508 | Ending Cash and Investments | | 5,284,826 | 61,790 | 1,448,921 | 1,443,000 | 29,353 | | |

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, 2013

| | 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 | 125,088 | 6,527 | 253,191 | 12,166 | 177,492 | 57,650 | |
| Prior Period Adjustments | - | - | - | - | - | - | - |
| Revenues | 37,134 | 10 | 2,261,039 | 3,604,337 | 26,709 | 351 | |
| Other Increases and Financing Sources | - | - | - | - | - | - | - |
| Expenditures | 40,113 | - | 2,160,718 | 3,614,270 | - | - | |
| Other Decreases and Financing Uses | - | - | - | - | - | - | - |
| Increase (Decrease) in Cash and Investments | (2,978) | 10 | 100,322 | (9,934) | 26,709 | 351 | |
| Ending Cash and Investments | 122,110 | 6,537 | 353,513 | 2,232 | 204,201 | 58,001 | |

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, 2013

| | 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 | 3,502 | 36,640 | 2,628 | 5,256 | 260 | 131 | |
| Prior Period Adjustments | - | - | - | - | - | - | - |
| Revenues | 7,087 | 1,038,083 | 31,799 | 63,956 | 2,786 | 4,311 | |
| Other Increases and Financing Sources | - | - | - | - | - | - | - |
| Expenditures | - | - | 32,299 | 64,956 | 2,904 | 4,329 | |
| Other Decreases and Financing Uses | - | - | - | - | - | - | - |
| Increase (Decrease) in Cash and Investments | 7,087 | 1,038,083 | (500) | (1,000) | (118) | (18) | |
| Ending Cash and Investments | 10,589 | 1,074,723 | 2,128 | 4,256 | 143 | 113 | |

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, 2013

| | 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 | 20,434 | 34,217 | 9,101 | 363,867 | 6,349 | 4,338 | |
| Prior Period Adjustments | - | - | - | - | - | - | |
| Revenues | 231,216 | 592,154 | 325,331 | 19,507,038 | 99,680 | 31,477 | |
| Other Increases and Financing Sources | - | - | - | - | - | - | |
| Expenditures | 236,735 | 580,444 | 332,022 | 19,637,138 | 99,030 | 33,758 | |
| Other Decreases and Financing Uses | - | - | - | - | - | - | |
| Increase (Decrease) in Cash and Investments | (5,520) | 11,710 | (6,691) | (130,100) | 650 | (2,281) | |
| Ending Cash and Investments | 14,915 | 45,928 | 2,410 | 233,768 | 6,999 | 2,057 | |

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, 2013

| | 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 | 525 | 13,889 | 572 | 5,999 | 99 | 32,652 | |
| Prior Period Adjustments | - | - | - | - | - | - | - |
| Revenues | 6,825 | 203,009 | 7,695 | 80,827 | 1,437 | 49 | |
| Other Increases and Financing Sources | - | - | - | - | - | - | - |
| Expenditures | 6,720 | 207,301 | 7,603 | 79,766 | 1,314 | - | |
| Other Decreases and Financing Uses | - | - | - | - | - | - | - |
| Increase (Decrease) in Cash and Investments | 105 | (4,292) | 92 | 1,061 | 123 | 49 | |
| Ending Cash and Investments | 630 | 9,597 | 664 | 7,060 | 222 | 32,701 | |

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, 2013

| | 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 | 99,387 | 3,663 | 14,546 | 18,448 | |
| Prior Period Adjustments | - | - | - | - | - |
| Revenues | (26,218) | (3,663) | 40 | 65 | |
| Other Increases and Financing Sources | - | - | - | - | - |
| Expenditures | - | - | - | - | - |
| Other Decreases and Financing Uses | - | - | - | - | - |
| Increase (Decrease) in Cash and Investments | (26,218) | (3,663) | 40 | 65 | |
| Ending Cash and Investments | 73,169 | - | 14,586 | 18,513 | |

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2013

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.

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.

Pension Trust Funds (61100-62000)

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

Expendable Trust Funds (62100-63000)

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 principles generally accepted in the United States of America.

C. Budgets and Budgetary Accounting

1. Annual appropriated budgets are adopted for approximately 60 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:

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 159 times during 2013.

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

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

| Fund/Department | Final Appropriated Amounts | Actual Expenditures | Variance |
|----------------------------|----------------------------------|------------------------|----------|
| GENERAL FUND | | | |
| ASSESSOR | 1,254,702 | 1,210,874 | 43,828 |
| AUDITOR | 1,123,067 | 1,031,516 | 91,551 |
| TREASURER | 691,090 | 612,015 | 79,075 |
| BOCC OPERATIONS | 595,920 | 580,986 | 14,934 |
| BOUNDARY REVIEW BOARD | 3,630 | 100 | 3,530 |
| PORT CRESCENT CEMETERY | 3,000 | - | 3,000 |
| BOARD OF EQUALIZATION | 58,279 | 46,564 | 11,715 |
| NON-DEPARTMENTAL | 1,461,664 | 1,238,869 | 222,795 |
| OPERATING TRANSFERS OUT | 60,541 | 10,591 | 49,950 |
| DCD ADMINISTRATION | 250,205 | 228,179 | 22,026 |
| DCD ENVIRONMENTAL QUALITY | 144,871 | 129,065 | 15,806 |
| DCD PERMIT CENTER | 734,237 | 716,389 | 17,848 |
| DCD LONG RANGE PLANNING | 1,325,894 | 736,848 | 589,046 |
| HEARING EXAMINER | 77,812 | 77,343 | 469 |
| INFORMATION TECHNOLOGY | 1,267,883 | 1,135,925 | 131,958 |
| HUMAN RESOURCES | 658,791 | 595,297 | 63,493 |
| ENVIRONMENTAL HEALTH | 1,426,492 | 1,062,261 | 364,231 |
| SHERIFF OPERATIONS | 5,205,149 | 5,160,956 | 44,192 |
| SHERIFF COMMUNITY PROJECTS | 235,011 | 142,755 | 92,256 |
| ANIMAL CONTROL | 184,283 | 165,500 | 18,783 |
| SEARCH & RESCUE | 18,150 | 12,263 | 5,887 |
| JAIL | 3,581,602 | 3,425,917 | 155,685 |
| JAIL MEDICAL | 497,696 | 455,315 | 42,381 |
| EMERGENCY SERVICES | 300,104 | 224,953 | 75,151 |
| INDIGENT DEFENSE | 901,886 | 901,886 | - |
| PROSECUTING ATTORNEY | 1,671,746 | 1,617,943 | 53,803 |
| CHILD SUPPORT | 223,386 | 208,129 | 15,257 |

| | | | |
|--------------------------------|------------|------------|-----------|
| CORONER | 117,800 | 102,932 | 14,868 |
| JUVENILE SERVICES | 3,022,887 | 2,965,187 | 57,700 |
| SUPERIOR COURT | 1,949,617 | 1,860,999 | 88,618 |
| DISTRICT COURT I | 598,230 | 568,227 | 30,003 |
| DISTRICT COURT II | 304,542 | 303,754 | 788 |
| CLERK | 856,274 | 746,392 | 109,882 |
| PARKS AND FACILITIES | 1,789,832 | 1,713,105 | 76,727 |
| FAIR | 393,819 | 366,151 | 27,668 |
| WSU EXTENSION | 57,854 | 41,582 | 16,272 |
| FLOOD CONTROL | 9,700 | 8,190 | 1,510 |
| TOTAL GENERAL FUND | 33,057,646 | 30,404,959 | 2,652,687 |
| ROADS | 23,143,013 | 13,488,359 | 9,654,654 |
| SHERIFF'S HONOR GUARD DONATION | 3,950 | - | 3,950 |
| RECREATIONAL AND BOATING FUND | 137,439 | 119,035 | 18,404 |
| SHERIFF OFFICE DRUG FUND | 36,962 | 28,240 | 8,722 |
| SHERIFF OPNET DRUG FUND | 257,404 | 220,658 | 36,746 |
| SHERIFF EQUIPMENT RESERVE | 108,000 | 106,341 | 1,659 |
| NINE-ONE-ONE ENHANCED | 838,319 | 792,312 | 46,007 |
| OPSCAN OPERATIONS | 336,505 | 161,410 | 175,095 |
| SHERIFF STONEGARDEN GRANT | 1,118,392 | 819,268 | 299,124 |
| SHERIFF PORT SECURITY GRANT | 658,263 | 57,295 | 600,968 |
| HEALTH & HUMAN SERVICES | 1,638,932 | 1,470,669 | 168,263 |
| ALCOHOL/DRUG ABUSE | 1,235,913 | 949,610 | 286,303 |
| HOMELESS TASK FORCE | 360,242 | 300,726 | 59,516 |
| CHEMICAL DEPENDENCY | 1,609,468 | 1,090,353 | 519,115 |
| AFFORDABLE HOUSING | 91,500 | 91,494 | 6 |
| DEVELOPMENTAL DISABILITIES | 1,114,793 | 826,544 | 288,249 |
| LAW LIBRARY | 39,795 | 27,140 | 12,655 |
| CRIME VICTIM COMP/LOCAL | 114,149 | 113,828 | 321 |
| RACKETEERING FUND | 127 | 23 | 104 |
| SHORELINE BLOCK GRANT | 33,550 | 6,050 | 27,500 |
| TREASURER'S O & M | 77,928 | 73,120 | 4,808 |
| TREASURER'S REET TECHNOLOGY | 20,000 | 6,324 | 13,676 |
| LAND ASSESSMENT | 9,200 | 9,032 | 168 |
| DOCUMENT PRESERVATION | 91,199 | 63,562 | 27,637 |
| DISPUTE RESOLUTION CENTER | 12,200 | 12,050 | 150 |
| COURTHOUSE FACILITATOR | 12,340 | 10,793 | 1,547 |
| NOXIOUS WEED CONTROL | 216,055 | 175,531 | 40,524 |
| LMD#2 LAKE SUTHERLAND | 14,392 | 11,562 | 2,830 |
| PROBATION DISTRICT COURT I | 248,345 | 226,116 | 22,229 |
| PROBATION DISTRICT COURT II | 25,552 | 12,057 | 13,495 |
| CRIMINAL JUSTICE | 500,000 | 500,000 | - |
| LOCAL CRIMINAL JUSTICE | 600,000 | 600,000 | - |
| TRIAL COURT IMPROVEMENTS | 30,000 | 30,000 | - |
| VETERANS' RELIEF | 154,704 | 122,153 | 32,551 |
| FEDERAL FOREST REPLACEMENT | 60,300 | 12,223 | 48,077 |
| HOTEL/MOTEL TAX | 389,539 | 387,146 | 2,393 |
| OPPORTUNITY FUND | 1,823,196 | 106,239 | 1,716,957 |
| EMERGENCY COMMUNICATIONS TAX | 988,000 | 846,079 | 141,921 |
| R I D #142 BUSINESS PARK LOOP | 872 | 378 | 494 |
| R I D #141 SCHOOL HOUSE ROAD | 3,488 | 3,488 | - |
| LAKE DAWN MANAGEMENT | 632 | 134 | 498 |
| R I D #138 MARCH BANKS ROAD | 190 | 92 | 98 |
| R I D #149 OSBORN ROAD | 2,323 | 1,666 | 657 |
| THIRD STREET SEWER LINE | 19,553 | 19,553 | - |
| REAL ESTATE EXCISE TAX PROJECT | 627,500 | 424,163 | 203,337 |
| REAL ESTATE EXCISE TAX 2 | 1,250,000 | 1,250,000 | - |
| CAPITAL PROJECTS | 1,580,000 | 269,124 | 1,310,876 |

| | | | |
|-------------------------------------|-----------|-----------|-----------|
| CAPITAL PROJECTS DUNGENESS | 5,000 | - | 5,000 |
| CAPITAL PROJECTS INFO TECH | 695,528 | 455,054 | 240,474 |
| CAPITAL PROJECTS CARLSBORG SEWER | 2,345,047 | 863,299 | 1,481,747 |
| SOLID WASTE | 71,114 | 52,301 | 18,813 |
| CLALLAM BAY-SEKIU SEWER | 431,967 | 386,081 | 45,886 |
| EQUIPMENT RENTAL & REVOLVING | 3,584,045 | 2,749,908 | 834,137 |
| RISK MANAGEMENT | 1,451,413 | 1,089,688 | 361,725 |
| WORKERS' COMPENSATION CLAIMS | 749,929 | 388,835 | 361,094 |
| EMPLOYEE HEALTH CARE BENEFIT | 36,925 | 20,376 | 16,549 |
| UNEMPLOYMENT COMPENSATION | 130,000 | 35,803 | 94,197 |

D. Cash

It is the county's policy to invest all temporary cash surpluses. At December 31, 2013, the Treasurer was holding \$53,377,984 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

Employees may accumulate vacation leave up to 480 hours (or the hours of vacation to be accrued in 24 months at current accrual rate in the case of Teamsters Union members) of which up to 400 hours is payable upon separation. Sick leave may accumulate without limit and is payable generally at 20% on retirement or 10% at other separation. Payouts are calculated at wage rates at the date of termination.

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.

M. Fund Balance Classification

At December 31, 2013, 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 |
| Budgeted 2014 Deficit | 388,324 |
| Restricted Imprest Balances | 35,925 |
| Total | \$7,924,249 |

In addition the Alcohol and Drug Abuse fund and the Developmental Disabilities fund had restrictions in their fund balances of \$95,423 and \$98,842 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 2013.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

The county's deposits and investments are categorized to give an indication of the risk assumed at year-end. Category 1 includes deposits and investments that are insured, registered or held by the county or its agent in the county's name. Category 2 includes uninsured and unregistered investments that are held by the broker's or dealer's trust department or agent in the county's name. Category 3 includes uninsured and unregistered deposits and investments for which the securities are held by the broker or dealer, or its trust department or agent, but not in the county's name. Clallam County holds no deposits or investments that would qualify for either Category 2 or 3. All deposits are stated at cost, there is no material difference between cost and market value. As of December 31, 2013 the County had the following investments:

| | Fair value of County investments | Fair value of investments held by County as agent | Total |
|-----------------------------|-------------------------------------|---|----------------------|
| Demand Deposits | \$ 5,832,928 | \$ 873,816 | \$ 6,706,744 |
| Time Deposits | 29,242,994 | 7,947,158 | 37,190,152 |
| US Government Securities | - | - | - |
| State Investment Pool | 20,393,971 | 35,465,157 | 55,859,128 |
| Total | <u>\$ 55,469,893</u> | <u>\$ 44,286,131</u> | <u>\$ 99,756,024</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 \$257,809 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 2013.

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.

| 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. |

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 2013 was \$1.3497793882 per \$1,000 on a total assessed valuation of \$7,173,041,376 for a regular levy total of \$9,682,023. The total 2013 levy rate of \$1.3872293882 was comprised of four funds: Operating at \$1.3497793882; Veterans' Relief at \$.01125; Land Assessment at \$.00120; and Human Services at \$.02500.

NOTE 5 – INTERTERFUND TRANSACTIONS AND BALANCES

Interfund transactions are classified as follows:

- A. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the county.
- B. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financial Sources or Uses."
- C. At December 31, 2012 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$21,068. There were no new loans on this balance in 2013, and after payments of \$4,113 the balance at December 31, 2013 was \$16,955.

NOTE 6 – LONG-TERM DEBT

A. Long-Term Debt

In 2004 the Clallam County Opportunity Fund borrowed \$750,000 from the Washington State Community Economic Revitalization Board and re-loaned that amount to the Clallam Business Incubator, Inc. to aid in the construction of the 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, 2013 the principal outstanding on this loan payable by the Opportunity Fund was \$542,422 due in annual payments of \$48,193.54 through 2025. Interest scheduled to be paid on the loan through maturity totals an additional \$35,900. In 2012 the Clallam Business Incubator closed, its assets and liabilities were assumed by the Port Angeles School district, and Clallam County forgave the balance of the loan that had been made to the Incubator and assumed by the school.

In 2013 Clallam County PUD signed a loan agreement with the Washington State Public Works Board for a maximum of \$10,000,000 to partially fund the construction of a wastewater treatment and water reuse plant in the Carlsborg UGA in Clallam County. Subsequently in 2013, Clallam County assumed this loan from the Clallam County PUD. The first payment of principal and interest on the loan will be due June 1, 2014 and annually thereafter through June 1, 2048. Funds under this loan will be paid to the County as the County submits progress invoices to the state for reimbursement of eligible costs incurred. Interest on the loan will accrue with the date of each advance at .5% per annum. Actual principal and interest payments

due will depend on the timing and the amounts of advances made against the loan. In 2013 the County received an advance against the loan of \$33,045 and made no payments of principal or interest.

The Clallam County Board of Commissioners has resolved to repay this loan out of the County's Opportunity Fund which might require an accelerated payment schedule if the Opportunity Fund's revenue stream under RCW 82.14.370 is terminated before the year 2048. The terms of the loan allow for accelerated repayments without penalty.

- B. Compensated Absences - The County's liability to employees for compensated absences consists of amounts due for accrued vacation and compensatory time, and depending on the circumstances of an employee's separation, some portion of sick time accrued. The County uses an amount of 15% of accrued sick time to approximate the value of sick time accrued for purposes of liability disclosure. Liability is determined at the current pay rates for employees at the end of each year. Under this calculation, the liability for compensated absences at December 31, 2013 was \$2,608,380 which was a decline of \$32,497 from the end of 2012.
- C. 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) | \$ 107,595,621 |
| Additional General with 3/5 majority vote | \$ 71,730,414 |
| Total | \$ 179,326,034 |

- D. Refunded Debt - The County currently has no refunded debt.
- E. Capitalized Leases - The County currently has no capitalized leases in effect.
- F. 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 2013 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; 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.

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.

The county's contribution rates, as a percentage of covered payrolls, as of December 31, 2013 were:

| | PERS Plan I | PERS Plan II | PERS Plan III |
|-----------|-------------|--------------|---------------|
| Employer* | 9.21% | 9.21% | **9.21% |
| Employee | 6.00% | 4.92% | *** |

*The employer rates include the employer administration expense fees currently set at 0.18.

**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 |
|------|-------------|--------------|---------------|
| 2013 | \$ 95,925 | \$ 1,139,822 | \$ 157,954 |
| 2012 | \$ 55,992 | \$ 1,019,062 | \$ 138,527 |
| 2011 | \$ 61,272 | \$ 908,538 | \$ 112,273 |

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 |

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 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, 2013 contribution rates expressed as a percentage of covered payroll were:

| | LEOFF Plan I | LEOFF Plan II |
|----------|--------------|---------------|
| Employer | .18% | 5.23% |
| Employee | 0% | 8.41% |

The employer rates include administrative expense fees currently set at 0.18%.

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 |
|------|--------------|---------------|
| 2013 | \$ - | \$ 151,536 |
| 2012 | \$ - | \$ 127,596 |
| 2011 | \$ - | \$ 120,115 |

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

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

PSERS members are eligible to retire at age 65 with five years of service or at age 60 with ten years of service. Members with 20 years of service can retire between ages 53 and 60 with

benefit reductions of 3% for each year before 60. The benefit is 2% of annual salary for each credited year of service such salary calculated as the average of the 60 highest paid consecutive credited months. There is no cap on years of service credit and a cost-of-living allowance is included, capped at 3% annually.

Required contributions to PSERS at December 31, 2013 were 6.36% by employees and 10.54% by the County.

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

| Year | PSERS Plan II |
|------|---------------|
| 2013 | \$ 109,570 |
| 2012 | \$ 83,322 |
| 2011 | \$ 73,162 |

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, 2013, the value of the Deferred Compensation Plan & Trust was \$13,759,885. The County also has a 401(a) Plan that has trust reserves of \$7,929,506.

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, 2013 the balances of these accounts totaled \$373,141. In 2006 the administrator of the Retirement Health Savings Plan advised the County that the plan was under review by the Internal Revenue Service. In 2007 the administrator and the Internal Revenue Service reached agreement materially changing provisions of the plan that the administrator could offer to the County. In response the County elected to close its plan to new contributions as of December 31, 2007. The plan will remain active until all of its assets have been distributed to participants or their dependents under the terms of the plan.

NOTE 9 - RISK MANAGEMENT

A. Liability Risk Pool

Clallam County is a member of the Washington Counties Risk Pool ("Pool"). Chapter 48.62 RCW authorizes the governing body of 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, 2013. 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 Pool fiscal year are financed by proportional reassessments against that year’s member counties. As of December 31, 2013, 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, 2013.

B. Unemployment and Workers' Compensation

The county has elected to fully self insure its risk for unemployment claims and pays actual costs quarterly as determined and administered by the Washington State Employment Security Department.

The county has elected to partially self insure its risk for workers' compensation claims. The county is responsible for workers' compensation claims 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.

Based on the claims managers' estimates, the county's likely liability for workers' compensation losses at December 31, 2013 was \$1,210,000.

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.

C. Risk Funding

Claim settlements and loss expenses are accrued in the Workers' Compensation Claims, Unemployment Compensation, and Risk Management funds for the estimated settlement value of both reported and unreported claims up to the statutory excess limits, as applicable. 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.

NOTE 10 - SHORT-TERM DEBT

The County has no short term debt outstanding as of December 31, 2013.

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, 2013, are estimated by the Washington Counties Risk Pool to be \$1,172,567. 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, 2013.

NOTE 13 – SEGMENT INFORMATION

The county had no reportable segments as of December 31, 2013.

NOTE 14 - JOINT VENTURES

None at December 31, 2013.

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 2013 totaled \$27,442. In addition, the county paid \$52,274 in medical insurance premiums for six of these retired employees in 2013. Only LEOFF I employees are eligible for this benefit.

NOTE 16 - CLOSURE AND POSTCLOSURE CARE COST

None at December 31, 2013.

NOTE 17 - OTHER DISCLOSURES

A. Prior Period Adjustment

There were no prior period adjustments in the year ended December 31, 2013.

B. Accounting and Reporting Changes

There were no material changes in accounting principles or accounting estimates in the year ended December 31, 2013.

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 \$257,809 at December 31, 2013. As of December 31, 2013, 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 2013 the County waived this non-compliance and purchased the Pool District's warrants, but is under no obligation to continue this in the future.

Clallam County
 Schedule of Liabilities
 For the Year Ended December 31, 2013

| ID. No. | Description | Maturity/Payment Due Date | Balance 12/31/2012 | Additions | Reductions | Balance 12/31/2013 |
|---------|----------------------------|------------------------------|-----------------------|-----------|------------|-----------------------|
| 263.81 | Washington State CERB Loan | Annual payments through 2025 | 584,768 | 0 | 42,346 | 542,422 |
| 263.81 | Washington State PWB Loan | Annual payments through 2048 | 0 | 33,045 | | 33,045 |
| 259.11 | Compensated Absences | n/a | 2,640,877 | 0 | 32,497 | 2,608,380 |
| | Total | | 3,225,645 | 33,045 | 74,843 | 3,183,847 |

CLALLAM COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended December 31, 2013

| 1 | 2 | | 3 | 4 | 5 | | 6 |
|---|---|--------|--------------------|--------------------------|--------------------|---------|---------------|
| Federal Agency Name / Pass-Through Agency Name | Federal Program Name | CFDA # | Other ID Number | From Pass-Through Awards | From Direct Awards | Total | Foot-note Ref |
| Dept of Agriculture / WA State Office of the Superintendent of Public Instruction | National School Lunch Program | 10.555 | 05-121-9761 | 26,908 | | 26,908 | |
| Dept of Agriculture / Wa State Dept of Health | Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | C16879 | 243,367 | | 243,367 | |
| Dept of Agriculture | Schools and Roads - Grants to States | 10.665 | Title I | 464,953 | | 464,953 | * |
| Dept of Agriculture | Schools and Roads Grants to Counties | 10.665 | 07-CA-11060900-029 | | 478 | 478 | |
| Dept of Agriculture / Olympic National Forest | Schools and Roads - Grants to States | 10.665 | 08-PA-11060900-003 | | 51,547 | 51,547 | |
| Dept of Agriculture | Schools and Roads - Grants to States | 10.665 | Title III | 10,940 | | 10,940 | |
| | Subtotal | 10.665 | | 475,893 | 52,025 | 527,918 | |
| Dept of Agriculture / Olympic National Forest | Schools and Roads - Grants to Counties | 10.666 | 10-PA-11060900-024 | 25,730 | | 25,730 | |
| Dept of Commerce / WA State Recreation and Conservation Office | Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program | 11.438 | 11-1486P | 83,343 | | 83,343 | |
| Dept of Commerce / WA State Recreation and Conservation Office | Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program | 11.438 | 13-1373P | 55,851 | | 55,851 | |
| | Subtotal | 11.438 | | 139,194 | 0 | 139,194 | |
| Dept of Justice / WA State Dept of Social and Health Services | Juvenile Accountability Block Grants | 16.523 | 0663-99177 | 9,000 | | 9,000 | |
| Dept of Justice / WA State Dept of Commerce | ARRA Violence Against Women Formula Grants | 16.588 | F11-31103-071 | 14,068 | | 14,068 | 6 |
| Dept of Justice / WA State Dept of Commerce | ARRA Violence Against Women Formula Grants | 16.588 | F12-31103-070 | 16,019 | | 16,019 | 4, 6 |
| | Subtotal | 16.588 | | 30,087 | 0 | 30,087 | |
| Dept of Justice | ARRA Public Safety Partnership and Community Policing Grants | 16.710 | 2012UMWX0172 | | 53,939 | 53,939 | 6 |

CLALLAM COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended December 31, 2013

| 1 Federal Agency Name / Pass-Through Agency Name | 2 Federal Program Name | 3 CFDA # | 4 Other ID Number | 5 Expenditures | | 6 Foot-note Ref |
|--|--|-------------|-------------------------------|--------------------------|--------------------|--------------------|
| | | | | From Pass-Through Awards | From Direct Awards | |
| Dept of Justice / WA State Department of Commerce | Protecting Inmates and Safeguarding Communities Discretionary Grant | 16.735 | F12-24025-001 | 72,474 | | 72,474 |
| Dept of Justice / WA State Dept of Commerce | Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | M12-34021-005 & M13-31440-005 | 179,127 | | 179,127 |
| Dept of Justice | ARRA Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government | 16.804 | 2009-SB-B9-2961 | | 595 | 595 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | SB-WAII (010) / LA7630 | 10,091 | | 10,091 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | STPR-2005 (081) / LA7688 | 25,211 | | 25,211 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | BHS-Q054(002) / LA7394 | 3,296 | | 3,296 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | HSIP-05AG (001) / LA7721 | 153,484 | | 153,484 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | HSIP-Q057 (001) / LA7524 | 541,497 | | 541,497 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | HSIP-0005 (292) / LA7527 | 439,320 | | 439,320 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | BHS-Q052(009) / LA7665 | 1,789 | | 1,789 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | STPE-2005 (082) / LA7710 | 34,500 | | 34,500 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | PHL-2005(084) LA8259 | 576,301 | | 576,301 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | STPR-05 / LA6760 | 1,467,839 | | 1,467,839 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | ER0801 (134) / LA7214 | 35,444 | | 35,444 |
| Dept of Transportation / WA State Dept of Transportation | Highway Planning and Construction | 20.205 | STPR-2005(080) LA7743 | 496,327 | | 496,327 |

CLALLAM COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended December 31, 2013

| 1 Federal Agency Name / Pass-Through Agency Name | 2 Federal Program Name | 3 CFDA # | 4 Other ID Number | 5 Expenditures | | 6 Foot-note Ref |
|---|---|-------------|----------------------|--------------------------|--------------------|--------------------|
| | | | | From Pass-Through Awards | From Direct Awards | |
| | Subtotal | 20.205 | | 3,785,099 | 0 | 3,785,099 |
| Dept of Transportation / WA Assoc of Sheriffs and Police Chiefs | State and Community Highway Safety | 20.600 | N/A | 3,771 | | 3,771 |
| Dept of Transportation / WA Traffic Safety Commission | State and Community Highway Safety | 20.600 | CP12-03 | 51,912 | | 51,912 |
| | Subtotal | 20.600 | | 55,683 | 0 | 55,683 |
| Dept of Transportation / WA Traffic Safety Commission | Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | N/A | 412 | | 412 |
| Dept of Transportation / WA Traffic Safety Commission | Occupant Protection Incentive Grants | 20.602 | N/A | 429 | | 429 |
| Environmental Protection Agency | Puget Sound Watershed Management Assistance | 66.120 | PO-00J08801-0 | | 78,739 | 78,739 |
| Environmental Protection Agency / WA State Dept of Health | Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program | 66.123 | C16879 | 8,634 | | 8,634 |
| Environmental Protection Agency / WA State Dept of Health | Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program | 66.123 | C16879 | 84,703 | | 84,703 |
| Environmental Protection Agency / Jefferson County WA | Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program | 66.123 | | 50,331 | | 50,331 |
| Environmental Protection Agency / WA State Dept of Health | Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program | 66.123 | C16879 | 30,669 | | 30,669 |
| | Subtotal | 66.123 | | 174,337 | 0 | 174,337 |
| Environmental Protection Agency | Targeted Watershed Grants | 66.439 | WS- 96074701-0 | | 24,196 | 24,196 |
| Environmental Protection Agency/ WA State Dept of Ecology | National Estuary Program | 66.456 | G1300045 | 25,537 | | 25,537 |
| Environmental Protection Agency/ WA State Dept of Ecology | National Estuary Program | 66.456 | G1400085 | 9,694 | | 9,694 |
| | Subtotal | 66.456 | | 35,231 | 0 | 35,231 |

CLALLAM COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended December 31, 2013

| 1 Federal Agency Name / Pass-Through Agency Name | 2 Federal Program Name | 3 CFDA # | 4 Other ID Number | 5 Expenditures | | 6 Foot-note Ref |
|---|---|-------------|-------------------------|--------------------------|--------------------|--------------------|
| | | | | From Pass-Through Awards | From Direct Awards | |
| Election Assistance Commission / State of WA Office of the Secretary of State | Help America Vote Act Requirements Payments | 90.401 | G2830 | 2,467 | | 2,467 |
| Dept of Health and Human Services / WA State Dept of Health | Public Health Emergency Preparedness | 93.069 | C16879 | 37,939 | | 37,939 |
| 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 | 203,832 | | 203,832 |
| 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 | 8,089 | | 8,089 |
| | Subtotal | 93.243 | | 211,921 | 0 | 211,921 |
| Dept of Health and Human Services / WA State Dept of Health | Immunization Cooperative Agreements | 93.268 | C16879 | 14,199 | | 14,199 |
| Dept of Health and Human Services / WA State Dept of Health | Immunization Cooperative Agreements | 93.268 | C16879 | 3,377 | | 3,377 |
| Dept of Health and Human Services / WA State Dept of Health | Immunization Cooperative Agreements | 93.268 | C16879 | 5,544 | | 5,544 |
| Dept of Health and Human Services / WA State Dept of Health | Immunization Cooperative Agreements | 93.268 | Vaccine in Lieu of Cash | | 14,894 | 14,894 |
| | Subtotal | 93.268 | | 23,120 | 14,894 | 38,014 |
| Dept of Health and Human Services | Drug-Free Communities Support Program Grants | 93.276 | 5H9SP017064-04 | | 865 | 865 |
| Dept of Health and Human Services | Drug-Free Communities Support Program Grants | 93.276 | 5H9SP017064-04 | | 107,630 | 107,630 |
| | Subtotal | 93.276 | | 0 | 108,495 | 108,495 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | PPHF 2012 National Public Health Improvement Initiative | 93.507 | C16879 | 10,000 | | 10,000 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to | 93.539 | C16879 | 2,462 | | 2,462 |

CLALLAM COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended December 31, 2013

| 1 Federal Agency Name / Pass-Through Agency Name | 2 Federal Program Name | 3 CFDA # | 4 Other ID Number | 5 Expenditures | | 6 Foot-note Ref |
|---|---|-------------|----------------------|--------------------------|--------------------|--------------------|
| | | | | From Pass-Through Awards | From Direct Awards | |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to | 93.539 | C16879 | 2,288 | | 2,288 |
| | Subtotal | 93.539 | | 4,750 | 0 | 4,750 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Child Support Enforcement | 93.563 | 2110-80577 | 147,528 | | 147,528 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Child Support Enforcement | 93.563 | 0763-15052-01 | 28,302 | | 28,302 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Child Support Enforcement | 93.563 | 0763-15052-01 | 46,314 | | 46,314 |
| | Subtotal | 93.563 | | 222,144 | 0 | 222,144 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Medical Assistance Program | 93.778 | 02-68MAA | 6,914 | | 6,914 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Medical Assistance Program | 93.778 | 1163-35226 | 46,601 | | 46,601 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Medical Assistance Program | 93.778 | 02-68MAA | 6,498 | | 6,498 |
| Dept of Health and Human Services / WA State Dept of Social and Health Services | Medical Assistance Program | 93.778 | 1163-27294 | 134,690 | | 134,690 |
| | Subtotal | 93.778 | | 194,703 | 0 | 194,703 |
| Dept of Health and Human Services / WA State Dept of Health | HIV Care Formula Grants | 93.917 | C16879 | 64,678 | | 64,678 |
| 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 | 106,190 | | 106,190 |

CLALLAM COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended December 31, 2013

| 1 Federal Agency Name / Pass-Through Agency Name | 2 Federal Program Name | 3 CFDA # | 4 Other ID Number | 5 Expenditures | | 6 Foot-note Ref |
|--|---|-------------|-----------------------------|--------------------------|--------------------|--------------------|
| | | | | From Pass-Through Awards | From Direct Awards | |
| Dept of Health and Human Services / WA State Dept of Health | Maternal and Child Health Services Block Grant to the States | 93.994 | C16879 | 51,581 | | 51,581 |
| Dept of Homeland Security / WA State Parks and Recreation Commission | Boating Safety Financial Assistance | 97.012 | LE911-202 | 40,669 | | 40,669 |
| Dept of Homeland Security / WA State Military Dept | Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | D09-496 | 100 | | 100 |
| Dept of Homeland Security / WA State Military Dept | Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | E08-797 | 100 | | 100 |
| | Subtotal | 97.036 | | 200 | 0 | 200 |
| Federal Emergency Management Agency/ WA State Military Dept | Hazard Mitigation Grant | 97.039 | E13-178 | 3,500 | | 3,500 |
| Dept of Homeland Security / WA State Military Dept | Emergency Management Performance Grants | 97.042 | E12-317 & E14-105 | 33,933 | | 33,933 |
| Dept of Homeland Security / Marine Exchange of Puget Sound | Port Security Grant Program | 97.056 | | 4,393 | | 4,393 |
| Dept of Homeland Security / Marine Exchange of Puget Sound | Port Security Grant Program | 97.056 | | 5,721 | | 5,721 |
| Dept of Homeland Security / Marine Exchange of Puget Sound | Port Security Grant Program | 97.056 | 2010-PU-TO-K033-1J3 | 55,831 | | 55,831 |
| | Subtotal | 97.056 | | 65,945 | 0 | 65,945 |
| Dept of Homeland Security / WA State Military Dept | Homeland Security Grant Program | 97.067 | E11-107, E13-143, & E12-178 | 115,281 | | 115,281 |
| Dept of Homeland Security / WA State Military Dept | Homeland Security Grant Program | 97.067 | E12-282, E12-133, & 14-043 | 823,997 | | 823,997 * |
| | Subtotal | 97.067 | | 939,278 | 0 | 939,278 |
| | Total Federal Awards Expended | | | 7,265,989 | \$332,883 | \$7,598,872 |

The accompanying Notes to the Schedule of Expenditures of Federal Awards is an integral part of this statement

CLALLAM COUNTY

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Note 1 - Basis of Accounting

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

Note 2 - Program Costs

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

Note 3 - Noncash Awards

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

Note 4 - Amounts Awarded to Subrecipients

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

Note 5 - Prior Year Expenses**Note 6 - American Recovery and Reinvestment Act (ARRA) of 2009**

Expenditures for this program were funded by ARRA.



ABOUT THE STATE AUDITOR'S OFFICE

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.

We 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.

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Deputy Director of Local Audit
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Deputy Director of Performance Audit
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