

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,

A handwritten signature in cursive script that reads "Troy X. Kelley".

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.

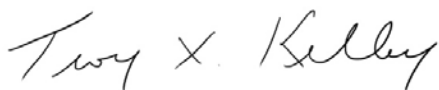
COMPLIANCE AND OTHER MATTERS

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

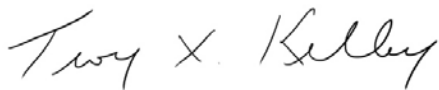
Supplementary and Other Information

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.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive, flowing style.

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	\$ 106,341
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	(106,341)
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	26,994
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	34,299
340 Charges for Goods and Services	-	156,682	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	304	-	-	-
Total Operating Revenues	728,061	156,682	820,302	34,299
Operating Expenditures				
510 General Government	-	-	-	-
520 Public Safety	792,312	117,981	97,938	29,843
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	29,843
Net Operating Increase (Decrease)	(64,251)	38,701	722,364	4,456
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	27,452
580, 596, 599 Other Financing Uses	-	-	-	-
597 Transfers Out	-	-	-	-
Total Nonoperating Expenditures	-	43,430	721,329	27,452
Increase (Decrease in Cash and Investments)	(64,251)	81,612	1,035	(22,996)
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	206,842	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	986,444
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	1,090,355
570 Culture and Recreation	-	-	-	-
Total Operating Expenditures	1,470,669	944,737	300,726	1,090,355
Net Operating Increase (Decrease)	(416,465)	(77,539)	50,670	(103,911)
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	(103,911)
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	194,895
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	37,863
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	1,106	209	-
Total Operating Revenues	68,788	833,985	26,828	100,344
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	113,829
Net Operating Increase (Decrease)	(22,706)	21,994	(311)	(13,485)
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)	(13,485)
Ending Cash and Investments				
508.10 Reserved	-	98,842	-	-
508.80 Unreserved	89,720	590,914	18,617	181,410

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	146,107
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	12
Operating Expenditures				
510 General Government	23	-	73,120	6,323
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	6,323
Net Operating Increase (Decrease)	(20)	(6,050)	(18,097)	(6,311)
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)	(6,311)
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	1,670	21,408	151,620	139,796

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	1,565
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	9,667
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	33	-	-	-
Total Operating Revenues	8,692	110,097	11,415	9,667
Operating Expenditures				
510 General Government	9,031	59,263	12,050	10,792
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	10,792
Net Operating Increase (Decrease)	(339)	50,834	(635)	(1,125)
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)	(1,125)
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	-	81,253
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	601,539	24,964	38,392	5
340 Charges for Goods and Services	-	-	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	-	-	2,028
Total Operating Revenues	601,539	680,774	38,392	83,286
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	(38,868)
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	(33,515)
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	482,021
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
Revenues and Other Sources				
310 Taxes	-	418,118	893,610	984,870
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	10,940	-	-	-
340 Charges for Goods and Services	-	-	20,568	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous	-	-	2,166	822
Total Operating Revenues	10,940	418,118	916,344	985,692
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	846,079
Net Operating Increase (Decrease)	9,017	30,972	906,344	139,613
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	139,613
Ending Cash and Investments				
508.10 Reserved	-	-	-	-
508.80 Unreserved	9,336	404,846	2,070,400	621,634

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 254 RID #142	Fund Number and Title 256 RID #141	Fund Number and Title 259 LMD #1	Fund Number and Title 261 RID#138
		Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Net Cash and Investments					
308.10	Reserved	\$ -	\$ -	\$ -	\$ -
308.80	Unreserved	378	3,488	134	92
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	-	87
Total Operating Revenues		1,576	1,477	-	87
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	-	87
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	92
594-595	Capital Expenditures	-	-	-	-
580, 596, 599	Other Financing Uses	-	-	-	-
597	Transfers Out	-	-	-	-
Total Nonoperating Expenditures		379	3,488	134	92
Increase (Decrease in Cash and Investments)		1,197	(2,011)	(134)	(5)
Ending Cash and Investments					
508.10	Reserved	-	-	-	-
508.80	Unreserved	1,575	1,477	-	87

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	52,302
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	Fund Number and Title	Fund Number and Title	Fund Number and Title
		624 Unclaimed Warrants	625 Workers Compensation Reserve	625 Risk Management Reserve	629 RID Guaranty Trust
	Total Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
308	Beginning Cash and Investments	4,228,113	62,883	1,434,303	1,393,000
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
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 Suspense	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	
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	

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	
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 691 State Housing Trust	Fund Number and Title 691 State District Court	Fund Number and Title 691 State Fire Patrol	Fund Number and Title 691 State General Schools	Fund Number and Title 691 State Juvenile Judicial Info System	Fund Number and Title 691 State Judicial Info System
	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	
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
	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
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 – INTERFUND 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 Federal Agency Name / Pass-Through Agency Name	2 Federal Program Name	3 CFDA #	4 Other ID Number	5 Expenditures			6 Foot-note Ref
				From Pass-Through Awards	From Direct Awards	Total	
Dept of 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	Total	
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	6
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) LA-8259	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	Total	
	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	4
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	Total	
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	4
	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	Total	
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	4
	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	4

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	Total	
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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