



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements and Federal Single Audit Report

Douglas County

For the period January 1, 2013 through December 31, 2013

Published September 29, 2014

Report No. 1012735





Washington State Auditor
Troy Kelley

September 29, 2014

Board of Commissioners
Douglas County
Waterville, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

TROY KELLEY
STATE AUDITOR

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Federal Summary

Douglas County January 1, 2013 through December 31, 2013

The results of our audit of Douglas 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>
14.228	CDBG - State-Administered CDBG Cluster - Community Development Block Grants/State's Program
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction

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

The County did not qualify 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*

Douglas County
January 1, 2013 through December 31, 2013

Board of Commissioners
Douglas County
Waterville, 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 Douglas 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 September 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.

As described in Note 12 to the financial statements, the Chelan Douglas Regional Support Network (RSN), a department of the County, will be required to merge with another RSN by April 2016 due to legislation enacted in 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

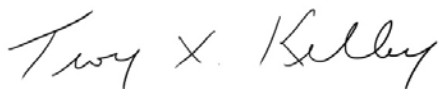
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

PURPOSE OF THIS REPORT

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



TROY KELLEY
STATE AUDITOR

September 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

Douglas County
January 1, 2013 through December 31, 2013

Board of Commissioners
Douglas County
Waterville, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of Douglas 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

September 24, 2014

Independent Auditor's Report on Financial Statements

Douglas County January 1, 2013 through December 31, 2013

Board of Commissioners
Douglas County
Waterville, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Douglas 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 14.

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, Douglas County has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *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 Douglas 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 Douglas 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.

Matters of Emphasis

As described in Note 12 to the financial statements, the Chelan Douglas Regional Support Network (RSN), a department of the County, will be required to merge with another RSN by April 2016 due to new legislation enacted in 2014.

Other Matters

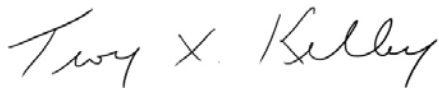
Supplementary and Other Information

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 September 24, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR

September 24, 2014

Financial Section

Douglas 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 the 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

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 General	102 CRIME VICTIMS	103 PUBLIC HEALTH
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	6,072,940	1,596,197	0	0
30880	Beg Fund Bal-Unreserved	16,450,745	1,698,537	31,884	27
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	16,740,835	10,901,663	0	0
320	Licenses & Permits	674,129	12,534	0	0
330	Intergovernmental Revenues	23,114,156	1,605,524	0	0
340	Charges for Goods and Services	7,176,790	1,373,244	37,631	0
350	Fines & Penalties	634,069	621,170	0	0
360	Miscellaneous Revenues	5,391,368	802,044	0	0
Total Operating Revenues:		53,731,348	15,316,181	37,631	
Operating Expenditures					
510	General Government	6,642,069	5,011,590	58,843	0
520	Public Safety	7,441,794	6,681,759	0	0
530	Utilities	836,499	2,078	0	0
540	Transportation	10,583,047	0	0	0
550	Natural and Economic Environment	976,571	146,462	0	0
560	Social Services	9,450,431	151,896	0	0
570	Culture And Recreation	539,290	137,416	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		36,469,701	12,131,200	58,843	
Net Operating Increase (Decrease):		17,261,646	3,184,980	-21,212	0
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	987,269	53,363	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	2,529,851	50,000	0	0
Total Nonoperating Revenues:		3,517,120	103,363		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	913,004	40,000	0	0
591-593	Debt Service	1,148,919	0	0	0
594-595	Capital Expenditures	11,760,545	402,818	0	0
597	Transfers-Out	2,524,852	1,627,950	0	0
Total Nonoperating Expenditures:		16,347,320	2,070,768		
Increase (Decrease) in Cash and Investments		4,431,446	1,217,573	-21,212	0
Ending Cash and Investments					
50810	End Fund Bal-Reserved	5,200,316	1,284,330	0	0
50880	End Fund Balance-Unreserved	21,754,817	3,227,980	10,673	27

The accompanying notes are an integral part of this Statement.

BARS Code		104 LAW LIBRARY	105 NCWFAIR	109 TREAS M&O	112 AUD M & O
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	500	0	0
30880	Beg Fund Bal-Unreserved	10,938	10,616	97,119	161,665
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	30,948	0	59,390
340	Charges for Goods and Services	10,063	105,298	42,212	27,590
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	142,242	128	98
Total Operating Revenues:		10,063	278,487	42,340	87,079
Operating Expenditures					
510	General Government	19,396	0	22,996	74,959
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	352,249	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		19,396	352,249	22,996	74,959
Net Operating Increase (Decrease):		-9,333	-73,761	19,344	12,119
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	40,412	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	66,000	0	0
Total Nonoperating Revenues:			106,412		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	40,004	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			40,004		
Increase (Decrease) in Cash and Investments		-9,333	-7,353	19,344	12,119
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	500	0	0
50880	End Fund Balance-Unreserved	1,605	3,262	116,463	173,785

The accompanying notes are an integral part of this Statement.

BARS Code		114 WSU PUB	118 PATHS AND TRAILS	119 COUNTY ROAD	120 VET'S REL
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	84,915	763,205	0
30880	Beg Fund Bal-Unreserved	74,964	0	1,220,697	98,117
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	4,668,829	756
320	Licenses & Permits	0	0	112,636	0
330	Intergovernmental Revenues	0	17,621	12,665,294	0
340	Charges for Goods and Services	32,092	0	113,048	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	200	108	410,573	128
Total Operating Revenues:		32,292	17,729	17,970,380	884
Operating Expenditures					
510	General Government	0	0	190,890	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	8,164,908	0
550	Natural and Economic Environment	0	0	0	23,191
560	Social Services	0	0	0	0
570	Culture And Recreation	18,654	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		18,654		8,355,798	23,191
Net Operating Increase (Decrease):		13,638	17,729	9,614,582	-22,307
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	13	0	400,000	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	383,300	0
Total Nonoperating Revenues:		13		783,300	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	400,000	0
591-593	Debt Service	0	0	558,493	0
594-595	Capital Expenditures	0	0	9,648,235	0
597	Transfers-Out	0	73,300	0	0
Total Nonoperating Expenditures:			73,300	10,606,728	
Increase (Decrease) in Cash and Investments		13,651	-55,571	-208,846	-22,307
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	29,344	580,339	0
50880	End Fund Balance-Unreserved	88,615	0	1,194,716	75,810

The accompanying notes are an integral part of this Statement.

BARS Code		121 ELEC RES	122 CAAP	126 LAW AND JUSTICE	127 CUMUL RES
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	430,288	347,295	774	52,150
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	7,641	444,045	398,039	0
340	Charges for Goods and Services	15,766	0	7,331	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	279	0	0	56
Total Operating Revenues:		23,685	444,045	405,370	56
Operating Expenditures					
510	General Government	9,916	0	188,688	2,421
520	Public Safety	0	0	232,311	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		9,916		420,999	2,421
Net Operating Increase (Decrease):		13,769	444,045	-15,629	-2,365
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	33,000	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	310,000	0	0
Total Nonoperating Expenditures:		33,000	310,000		
Increase (Decrease) in Cash and Investments		-19,231	134,045	-15,629	-2,365
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	411,057	481,340	-14,855	49,785

The accompanying notes are an integral part of this Statement.

BARS Code		128 DRUG	129 RSN	130 DD	133 BOAT SAFE
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	2,085,607	117,290	0
30880	Beg Fund Bal-Unreserved	10,260	1,614,755	316,803	6,396
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	46,225	45,988	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	12,274	6,250,782	1,071,146	36,000
340	Charges for Goods and Services	0	3,018,459	109,558	0
350	Fines & Penalties	12,799	0	0	0
360	Miscellaneous Revenues	9,160	4,603	0	0
Total Operating Revenues:		34,232	9,320,069	1,226,691	36,000
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	25,710	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	8,186,643	1,111,892	0
570	Culture And Recreation	0	0	0	29,868
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		25,710	8,186,643	1,111,892	29,868
Net Operating Increase (Decrease):		8,522	1,133,426	114,800	6,132
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	725
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					725
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:					
Increase (Decrease) in Cash and Investments		8,522	1,133,426	114,800	6,857
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	2,117,059	117,290	0
50880	End Fund Balance-Unreserved	18,781	2,716,729	431,602	13,253

The accompanying notes are an integral part of this Statement.

BARS Code		144 CW S.W.	146 PROBATION	147 RISK POOL	152 RETIREMENT CONT
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	139,974	72,986	411,528	93,366
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	215,753	0	0	0
340	Charges for Goods and Services	244,676	176,684	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	14,242	16,923	334,444	0
Total Operating Revenues:		474,671	193,607	334,444	
Operating Expenditures					
510	General Government	0	199,219	286,350	0
520	Public Safety	0	0	0	0
530	Utilities	185,269	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		185,269	199,219	286,350	
Net Operating Increase (Decrease):		289,402	-5,612	48,094	0
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	11,950	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:		11,950			
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	310,944	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		310,944			
Increase (Decrease) in Cash and Investments		-9,592	-5,612	48,094	0
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	130,382	67,374	459,622	93,366

The accompanying notes are an integral part of this Statement.

BARS Code		157 CEERP	158 CO COM DEV	161 LEGAL OBL	163 BUILD MAIN
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	695,640	27,170	22,843	68,494
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	6,064	0
340	Charges for Goods and Services	0	41,730	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	179,207	0	0	16,056
Total Operating Revenues:		179,207	41,730	6,064	16,056
Operating Expenditures					
510	General Government	0	0	3,330	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	766	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:			766	3,330	
Net Operating Increase (Decrease):		179,207	40,964	2,734	16,056
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	13,044	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	5,000	0	0	0
Total Nonoperating Revenues:		18,044			
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	203,129	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		203,129			
Increase (Decrease) in Cash and Investments		-5,879	40,964	2,734	16,056
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	689,762	68,134	25,577	84,550

The accompanying notes are an integral part of this Statement.

BARS Code		164 DOMES VIOL CRT ADV	165 COURT IMP	166 REET TECH	167 FAIR DRIV
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	1,479	30,333	61,679	435
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	23,996	0	0
340	Charges for Goods and Services	0	0	0	550
350	Fines & Penalties	100	0	0	0
360	Miscellaneous Revenues	0	0	0	0
Total Operating Revenues:		100	23,996		550
Operating Expenditures					
510	General Government	0	428	20,991	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	725
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:			428	20,991	725
Net Operating Increase (Decrease):		100	23,568	-20,991	-175
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	50,000	0	0
Total Nonoperating Expenditures:			50,000		
Increase (Decrease) in Cash and Investments		100	-26,432	-20,991	-175
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	1,579	3,901	40,688	260

The accompanying notes are an integral part of this Statement.

BARS Code		168 HOMELESS	169 HIST PRES	170 D V PREVENT	171 HOST FEES
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	95,137	44,173	1,771	475,776
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	78,224
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	214,428	9,212	303	27,937
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	0	0	703
Total Operating Revenues:		214,428	9,212	303	106,864
Operating Expenditures					
510	General Government	0	68	0	0
520	Public Safety	0	0	0	225
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	207,955	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		207,955	68		225
Net Operating Increase (Decrease):		6,473	9,144	303	106,639
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	6,500
Total Nonoperating Expenditures:					6,500
Increase (Decrease) in Cash and Investments		6,473	9,144	303	100,139
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	101,610	53,317	2,075	575,915

The accompanying notes are an integral part of this Statement.

BARS Code		173 WM SCHOLAR	174 NCW FAIR RACE HORSE	176 DO CO JAIL	177 PEST CONTROL
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	11,950	1,590	726,098	9,105
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	3,725	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	11,500	0	45,072
Total Operating Revenues:		3,725	11,500		45,072
Operating Expenditures					
510	General Government	10,000	0	0	0
520	Public Safety	0	0	302	0
530	Utilities	0	0	0	176
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	379	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		10,000	379	302	176
Net Operating Increase (Decrease):		-6,275	11,121	-302	44,896
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	1,000,000	0
Total Nonoperating Revenues:				1,000,000	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:					
Increase (Decrease) in Cash and Investments		-6,275	11,121	999,698	44,896
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	5,675	12,712	1,725,796	54,001

The accompanying notes are an integral part of this Statement.

BARS Code		178 LOCAT TRIAL CRT	204 LGO BOND	301 DISTRESS1	302 FAIR CAP RES
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	6,188	0	43,111	568
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	354,695	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	5,415	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	0	170	0
Total Operating Revenues:		5,415		354,865	
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:					
Net Operating Increase (Decrease):		5,415		354,865	0
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	457,101	0	0
Total Nonoperating Revenues:			457,101		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	457,102	0	0
594-595	Capital Expenditures	0	0	2,153	0
597	Transfers-Out	0	0	337,996	0
Total Nonoperating Expenditures:			457,102	340,149	
Increase (Decrease) in Cash and Investments		5,415	-1	14,716	0
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	11,603	0	57,828	568

The accompanying notes are an integral part of this Statement.

BARS Code		303 CE CAP	311 DISTRESS 2	314 POST ANNEXATION	315 FINSFTIMPL
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	421,689	0
30880	Beg Fund Bal-Unreserved	900,363	712,796	0	49,667
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	367,984	354,695	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	6	914	540	0
Total Operating Revenues:		367,990	355,609	540	
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:					
Net Operating Increase (Decrease):		367,990	355,609	540	0
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	400,000	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:				400,000	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	400,000	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	90,623	432,464	0	15,329
597	Transfers-Out	119,106	0	0	0
Total Nonoperating Expenditures:		209,729	432,464	400,000	15,329
Increase (Decrease) in Cash and Investments		158,261	-76,855	540	-15,329
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	422,229	0
50880	End Fund Balance-Unreserved	1,058,624	635,941	0	34,338

The accompanying notes are an integral part of this Statement.

BARS Code		317 BAKER CORRIDOR	318 PARKSIDE	403 LAND USE & BUILDING SERVICES	404 STORM WATER UTILITY
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	52,100	0	0	951,437
30880	Beg Fund Bal-Unreserved	0	13,469	272,466	3,494,589
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	470,735	0
330	Intergovernmental Revenues	0	0	3,944	213,655
340	Charges for Goods and Services	0	0	355,826	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	74	15,779	44	1,053,565
Total Operating Revenues:		74	15,779	830,549	1,267,220
Operating Expenditures					
510	General Government	0	0	286	0
520	Public Safety	0	0	501,487	0
530	Utilities	0	0	0	648,976
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	598,197	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:				1,099,970	648,976
Net Operating Increase (Decrease):		74	15,779	-269,421	618,244
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	33,000	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	568,450	0
Total Nonoperating Revenues:			33,000	568,450	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	103,800
594-595	Capital Expenditures	0	-6,107	0	432,788
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			-6,107		536,588
Increase (Decrease) in Cash and Investments		74	54,886	299,029	81,656
Ending Cash and Investments					
50810	End Fund Bal-Reserved	52,174	0	0	597,051
50880	End Fund Balance-Unreserved	0	68,355	571,495	3,930,632

The accompanying notes are an integral part of this Statement.

BARS Code		501 ER&R	502 UECOMP	503 MIS
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	0	0	0
30880	Beg Fund Bal-Unreserved	1,417,692	288,426	76,594
38800/58800	Prior Period Adjustments, net	0	0	0
Operating Revenues				
310	Taxes	0	0	0
320	Licenses & Permits	0	0	0
330	Intergovernmental Revenues	0	0	52,040
340	Charges for Goods and Services	651,294	67,289	485,429
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	2,332,510	0	1
Total Operating Revenues:		2,983,804	67,289	537,471
Operating Expenditures				
510	General Government	2,033	17,940	521,726
520	Public Safety	0	0	0
530	Utilities	0	0	0
540	Transportation	2,418,139	0	0
550	Natural and Economic Environment	0	0	0
560	Social Services	0	0	0
570	Culture And Recreation	0	0	0
598	Intergovernmental Payments	0	0	0
Total Operating Expenditures:		2,420,172	17,940	521,726
Net Operating Increase (Decrease):		563,632	49,349	15,744
Nonoperating Revenues				
370, 380, 395, 398	Other Financing Sources	35,808	0	-1,046
391-393	Debt Proceeds	0	0	0
397	Transfers-In	0	0	0
Total Nonoperating Revenues:		35,808		-1,046
Nonoperating Expenditures				
580, 596, 599	Other Financing Uses	0	0	0
591-593	Debt Service	29,524	0	0
594-595	Capital Expenditures	228,169	0	0
597	Transfers-Out	0	0	0
Total Nonoperating Expenditures:		257,693		
Increase (Decrease) in Cash and Investments		341,747	49,349	14,698
Ending Cash and Investments				
50810	End Fund Bal-Reserved	0	0	0
50880	End Fund Balance-Unreserved	1,759,439	337,776	91,292

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds	623 CANINE	625 SHERIFF AUXILIARY	626 SHERIFF REWARD TRST
308	Beginning Cash and Investments	292,631	8,090	1,796	500
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	14,272,374	0	239	0
380-390	Other Increases and Financing Sources	9,916,980	0	0	0
510-570	Expenditures	45,657	5,269	817	200
580-590	Other Decreases and Financing Uses	23,418,484	0	0	0
Increase (Decrease) in Cash and Investments		725,213	-5,269	-578	-200
508	Ending Cash and Investments	1,017,844	2,821	1,218	300

BARS Code		627 TRAFFIC SAFETY	628 MAJOR CRIME RESPONSE	630 NCW FAIR TRUST	642 TREASURER SUSPENSE
308	Beginning Cash and Investments	9,299	2,152	32,783	16,201
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	2,026	6,921	73,720	0
380-390	Other Increases and Financing Sources	0	0	0	-12,181
510-570	Expenditures	3,288	544	35,539	0
580-590	Other Decreases and Financing Uses	0	5,148	0	0
Increase (Decrease) in Cash and Investments		-1,262	1,229	38,181	-12,181
508	Ending Cash and Investments	8,037	3,381	70,964	4,020

BARS Code		646 STATE GENERAL FUND	647 STATE SCHOOL	648 TREAS TRUST	655 FISCAL AGENT
308	Beginning Cash and Investments	0	45,155	83,025	0
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	2,666,358	9,801,258	52,466	0
380-390	Other Increases and Financing Sources	9,580	0	0	9,030,651
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	2,657,801	9,130,052	24,046	9,030,651
Increase (Decrease) in Cash and Investments		18,137	671,206	28,420	0
508	Ending Cash and Investments	18,137	716,361	111,445	0

BARS Code		660 DOCUMENT PRESERVATION	661 PSEA	663 STATE BLDG CODE	664 REGIONAL LIBRARY
308	Beginning Cash and Investments	1,662	41,271	68	11,858

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	1,641,404
380-390	Other Increases and Financing Sources	18,378	476,956	1,324	0
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	18,772	480,112	1,282	1,642,671
Increase (Decrease) in Cash and Investments		-394	-3,156	42	-1,267
508	Ending Cash and Investments	1,268	38,115	110	10,591

BARS Code		665 MAPS AND SURVEYS	667 STATE MARRIAGE LIC	668 CRIME LAB	669 DNR
308	Beginning Cash and Investments	690	0	58	335
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	21,593
380-390	Other Increases and Financing Sources	4,223	420	886	0
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	4,508	405	901	21,605
Increase (Decrease) in Cash and Investments		-285	15	-15	-12
508	Ending Cash and Investments	405	15	43	323

BARS Code		670 BLOOD TEST	671 BREATH TEST	672 LITTERING PENALTY	673 JIS
308	Beginning Cash and Investments	104	589	34	6,471
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	0
380-390	Other Increases and Financing Sources	1,082	6,136	0	86,357
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	1,058	6,004	34	85,372
Increase (Decrease) in Cash and Investments		24	132	-34	985
508	Ending Cash and Investments	128	721	0	7,456

BARS Code		674 SCHOOL ZONE	675 APPELLATE FILING FEE	676 STATE ARCHIVES	677 TRAUMA CARE
308	Beginning Cash and Investments	0	0	831	1,535
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	0
380-390	Other Increases and Financing Sources	311	250	9,180	19,222

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	274	250	9,413	19,209
Increase (Decrease) in Cash and Investments		37	0	-233	13
508	Ending Cash and Investments	37	0	598	1,548

BARS Code		678 AFFORDABLE HOUSING	679 DNA DATABASE	680 MTG LENDING	681 DOM VIOLENCE PREV
308	Beginning Cash and Investments	8,813	942	153	93
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	6,389	0	0
380-390	Other Increases and Financing Sources	94,015	0	1,683	1,273
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	96,227	6,864	1,714	1,223
Increase (Decrease) in Cash and Investments		-2,212	-475	-31	50
508	Ending Cash and Investments	6,601	467	122	143

BARS Code		682 HOME SECURITY	683 DIGITAL ARCHIVES	684 FISH & WILDLIFE	685 AUTO THEFT PREV
308	Beginning Cash and Investments	5,510	831	2,671	3,052
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	0
380-390	Other Increases and Financing Sources	58,939	9,217	4,758	37,834
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	60,337	9,413	7,345	37,809
Increase (Decrease) in Cash and Investments		-1,398	-196	-2,587	25
508	Ending Cash and Investments	4,112	635	84	3,077

BARS Code		686 BRAIN INJURY	687 STATE HERITAGE	688 JUDICIAL STABILIZ	689 LICENSE FRAUD
308	Beginning Cash and Investments	600	1,662	3,260	459
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	0
380-390	Other Increases and Financing Sources	7,487	18,485	25,136	0
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	7,473	18,875	26,083	459
Increase (Decrease) in Cash and Investments		14	-390	-947	-459

The accompanying notes are an integral part of this Statement.

508	Ending Cash and Investments	614	1,272	2,313	0
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BARS Code		690 HIGHWAY SAFETY	691 ACCESSING COM	692 MULTIMODAL TRANS	693 REC ACCESS PASS
308	Beginning Cash and Investments	53	0	0	25
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	0
380-390	Other Increases and Financing Sources	830	79	4,469	0
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	719	79	4,296	0
Increase (Decrease) in Cash and Investments		111	0	173	0
508	Ending Cash and Investments	164	0	198	0

The accompanying notes are an integral part of this Statement.

Douglas County, Washington

Notes to the Financial Statements

December 31, 2013

Note 1. Summary of Significant Accounting Policies

Douglas County, Washington, was incorporated on November 28, 1883 and operates under the laws of the State of Washington applicable to a fourth class county. The county is a general-purpose government and provides planning and zoning, public safety, road improvement, judicial administration, health and social services, and general administrative services. The County uses single-entry, cash basis accounting which is a departure from Generally Accepted Accounting Principles (GAAP).

The County reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

A. Basis of Presentation - Fund Accounting

The accounts of the county are organized on the basis of funds each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The county's resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The individual funds are summarized by fund type in the financial statements. The following are the fund types used by the county:

Governmental Funds

The General Fund is the general operating and administrative fund of the County. It accounts for all financial resources and transactions except those required to be accounted for in another fund.

Special Revenue Funds account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted by agreements or state statutes to expenditures for specific purposes. The County's special revenue funds account for operations such as roads, health and social services.

Debt Service Funds account for the accumulation of resources to pay principal, interest, and related costs on general long-term debt.

Capital Project Funds account for the financial resources which are designated for acquisition or construction of general governmental capital improvements.

Proprietary Funds

Enterprise Funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds account for operations that provide goods or services to other departments or funds of the County or to other governmental units on a cost-reimbursement basis.

Fiduciary Funds are used to account for assets held by the County in a trustee capacity on behalf of others.

Private Purpose Trust Funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds are used to account assets that the County holds for others in an agency capacity.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Douglas County maintains its governmental, fiduciary and internal service funds on a cash basis method. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law. In accordance with state law the county also recognized expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

This prescribed cash basis accounting is a departure from generally accepted accounting principles (GAAP).

C. Budgets and Budgetary Accounting

1. Scope of Budget

The County adopts annual appropriated budgets for the general, special revenue, debt service, capital projects, and proprietary funds. Annual appropriated budgets are adopted at the level of the fund, except in the General Fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the authority for expenditures at that level. Appropriations for these funds lapse at year-end.

Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund			
WSU	138,873.00	134,462.80	4,410.20
ASSESSOR	638,359.00	619,451.90	18,907.10
ALCOHOL C	2,000.00	1,686.72	313.28
CLERK	319,410.00	295,984.58	23,425.42
CIVIL SERV	14,713.00	10,695.29	4,017.71
COMM	355,036.00	336,747.80	18,288.20
FACILITIES	268,437.00	261,466.82	6,970.18
DISAB BRD	2,000.00	0.00	2,000.00
BOUNDARY R	9,620.00	6,731.50	2,888.50
ELECTIONS	331,809.00	233,504.34	98,304.66
BOE	7,057.00	2,295.00	4,762.00
INTRPSVCS	105,047.00	103,275.92	1,771.08
DIST CRT	598,818.00	587,535.86	11,282.14
JUVENILE	462,437.00	418,089.29	44,347.71
NONDEPT	3,216,746.00	2,998,233.04	218,512.96
AG SUPPORT	36,000.00	30,110.47	5,889.53
PROSECUTOR	513,288.00	404,328.21	108,959.79
SHERIFF	3,685,002.00	3,656,793.53	28,208.47
SUPER CRT	313,267.00	235,455.79	77,811.21
TREASURER	359,027.00	353,364.95	5,662.05
HEALTH SER	150,577.00	149,209.08	1,367.92
AUDITOR	429,978.00	420,923.32	9,054.68
ANIMAL CTL	110,000.00	91,246.74	18,753.26
REG JUVE J	390,000.00	204,607.50	185,392.50
REG JAIL	1,300,000.00	906,386.22	393,613.78
RIVERCOM	1,482,832.00	1,340,504.26	142,327.74
SOLID WST	23,250	18,374.00	4,876.00
LOCAL GOV	1,296,729.00	380504.01	916,224.99
TENT CAMP	0	0.00	0.00
Total Genaral Fund	16,560,312.00	14,201,968.94	2,358,343.06
CV COMP	63,775.00	58,842.57	4,932.43
PUB HEALTH	236	0	236.00
LAW LIBR	19,400.00	19,395.68	4.32
FAIR	354,513.00	351,753.27	2,759.73
TREAS M&O	26,098.00	22,996.00	3,102.00
AUD M & O	123,545.00	74,958.55	48,586.45
WSU PUB	22,709.00	18,653.72	4,055.28
FLOOD CONT	1,275.00	0.00	1,275.00

P&T	75,965	73,300.00	2,665.00
CR	21,817,058	18,747,840.00	3,069,218.00
VET'S REL	30,000.00	23,191.43	6,808.57
ELEC RES	55,683.00	42,916.46	12,766.54
CAPP	310,000	310,000.00	0.00
L & J	476,263.00	420,998.95	55,264.05
CUMUL RES	52,024.00	2,421.00	49,603.00
DRUG	38,803.00	25,710.22	13,092.78
RSN	11,689,158.00	8,186,642.96	3,502,515.04
DD	1,262,536.00	1,111,892.32	150,643.68
BOAT SAFE	32,066.00	29,867.61	2,198.39
CW S.W.	633,646.00	496,213.37	137,432.63
PROBATION	221,233.00	199,219.25	22,013.75
RISK POOL	290,056.00	286,349.64	3,706.36
RET CONT	93,366.00	0	93,366.00
CEERP	361,770.00	203,128.53	158,641.47
CO COM DEV	64,766.00	766.00	64,000.00
LEGAL OBL	6,021.00	3,330.35	2,690.65
BUILD MAIN	20,000.00	0.00	20,000.00
COURT IMP	50,428.00	50,428.00	0.00
REET TECH	61,672.00	20,990.88	40,681.12
FAIR DRIV	750.00	725.00	25.00
HOMELESS	308,727.00	207,954.64	100,772.36
HIST PRES	40,000	68.00	39,932.00
HOSTFEES	189,106.00	6,725.00	182,381.00
WM SCHOLAR	15,000.00	10,000.00	5,000.00
FAIRRACESP	500.00	378.66	121.34
DO CO JAIL	0	302.07	-302.07
PEST CONTR	43,000.00	176.00	42,824.00
LGO BOND	1,045,412.00	457,101.38	588,310.62
DISTRESS1	250,120.00	340,148.48	-90,028.48
FAIR CAP	568.00	0.00	568.00
CE CAP	800,000.00	209,729.33	590,270.67
DISTRESS 2	700,000.00	432,464.02	267,535.98
POSTANNEX	84,122	0.00	84,122.00
FINSFTIMPL	59,786	15,329.00	44,457.00
BAKER CORRIDOR	11,043	0.00	11,043.00
PARKSIDEPR	0	-6,107.11	6,107.11
LUB	1,307,488	1,099,970.00	207,518.00
SWU	4,581,801.00	1,185,563.00	3,396,238.00
ERR	3,961,536.00	2,677,865.00	1,283,671.00
UECOMP	150,000.00	17,939.81	132,060.19
MIS	563,268.00	521,726.05	41,541.95

2. Procedures for Adopting the Original Budget

The County's budget procedures are mandated by RCW 36.40. The steps in the budget process are as follows:

- a. The County Auditor submits a proposed budget to the County Commission. This budget is based on priorities established by the Commission and estimates provided by County departments during the preceding months, and balanced with revenue estimates made by the County Treasurer.
- b. The Commission conducts public hearings on the proposed budget in December.
- c. The Commission makes its adjustments to the proposed budget and adopts by resolution a final balanced budget no later than December 31.

3. Amending the Budget

The County Auditor is authorized to transfer budget amounts within departments within any fund; however, any revisions that alter the total expenditures of the county, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment, or capital expenditures must be approved by the County Commission.

When the County Commission determines that it is in the best interest of the County to increase or decrease the appropriation for a particular fund/department/object class it may do so by resolution approved by a simple majority after holding two public hearings.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

D. Cash and Equivalents

It is the County's policy to invest all temporary cash surpluses. At December 31, 2013, the Treasurer was holding \$22,779,578 in short-term residual investments of surplus cash. This amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is credited to the General Fund.

E. Temporary Investments - See Note 3

F. Interfund Loans

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as

“due to/from other funds.” A separate schedule of interfund loans receivable and payable is furnished in Note 10.

G. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The county records all accumulated unused vacation and sick leave. The balances at year-end are carried over into the following year.

Vacation pay, which may be accumulated up to 320 hours, is payable upon resignation, retirement or death. Sick leave may accumulate up to 960 hours, upon resignation, retirement or death, any sick leave accrued over 720 hours up to 960 hours will be paid.

H. Long-Term Debt - See Note 8.

I. Capital Assets

Capital assets are long-lived assets of the county, and are recorded as expenditures when purchased.

J. Other Financing Sources or Uses

The county’s “other Financing Sources” consists of sale or loss of fixed assets in the amount of \$64,274, insurance recoveries for \$5,580, and operating transfers in of \$2,529,852.

The county’s “other Financing Uses” consists of operating transfers made to other funds within Douglas County. A summary is as follows:

		TRANSFER TO						
		General Fund	NCW Fair	County Roads	CEERP	LGO Bond	Jail Fund	Land Use
TRANSFER FROM	General Fund		\$61,000		5,000		1,000,000	568,450
	Paths and Trails			73,300				
	CAPP			310,000				
	Court Improvement	50,000						
	Distressed County					337,996		
	Capital Imprvmt					119,106		
	Friends of Fair		5,000					
TOTAL		50,000	66,000	383,300	5,000	457,102	1,000,000	568,450
								\$2,523,352

K. Reserved Fund Balance

The County’s General Fund has reserved fund balance that consists of \$21,309 reserved for solid waste land fill closure costs and \$1,284,330 for Board designated special projects. The NCW Fair fund has \$500 reserved for a house deposit refund. The Regional Support Network has a reserve of \$2,117,059 that is required by the State of Washington for risk reserve. The Developmental Disabilities fund has a State required reserve of \$117,290 for a cash advance. The Paths and Trails fund has a reserve of \$29,344 for the purpose of improving trails in Douglas County. County Roads has a reserved fund

balance of \$514,684 for a Board designated emergency reserve and \$65,655 for matching grant funds. The \$422,229 reserved in the Post Annexation fund is restricted to be used for county road construction projects and grant matches. The Baker Corridor fund has a reserved fund balance of \$52,174 to be used for road construction on North Baker Avenue. The \$597,051 reserve in the Storm Water fund is for catastrophic or significant floods.

Note 2. Stewardship, Compliance and Accountability

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the county.

Note 3. Deposits and Investments

As required by state law, all deposits and investments of the County's funds are obligations of the U.S. Government or deposits with Washington State banks and savings and loan institutions. Investments are valued at cost.

As of December 31, 2013, the county had the following investments:

Type of Investment	County's own investments	Investments held by County as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	\$23,813,180	\$32,158,218	\$55,971,398
US. Government Securities	2,422,131	931,293	3,353,424
Money Market and CD's	5,124,562	3,967,800	9,092,362
Total	\$31,359,873	\$37,057,311	\$68,417,184

Certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in the multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

Note 4. Property Taxes

The County Treasurer collects property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property tax revenues are recognized when cash is collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to the limitations in the Washington State Constitution and Washington State Law in RCW 84.55.010.

The county's regular levy for 2013 was \$1.348608 per \$1,000 on an assessed valuation of \$3,690,130,355 for a total regular levy of \$ 4,976,539.

The county's levy for road purposes for 2013 was \$1.843135 per \$1,000 on an assessed valuation of \$2,542,847,800 for a total county road levy of \$4,686,812.

Note 5. Intergovernmental Grants and Entitlement

The Schedule of State and Local Financial Assistance and Schedule of Expenditures of Federal Awards provides a listing of all federal and state assistance programs in which the County participates and summarizes the County's grant transactions for 2013. A copy can be obtained by contacting the County at Douglas County Auditor, Box 456, Waterville, WA 98858.

Note 6. Pension Plans

Substantially all county full-time and qualifying part-time employees participate in one of the following plans administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employees Retirement System (PERS), Law Enforcement Officer and Fire Fighters System (LEOFF), Public Safety Employees Retirement System (PSERS). Actuarial information is on a system-wide basis and is not considered pertinent to the counties financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2013 annual financial report. A copy of this report may be obtained at:

Department of Retirement Systems
Capital Plaza Building
1025 E. Union Street
PO Box 48380
Olympia, WA 98504-8380

A. Post Retirement Benefits

In addition to the pension benefits described in this section, the County provides post-retirement benefits, in accordance with State statutes to all LEOFF 1 retirees. The County pays for the LEOFF 1 retirees' medical insurance premium and reimburses them for all medical costs not covered by insurance. Expenditures for post-retirement benefits are recognized on a "pay as you go basis" by the fund for which the employee worked prior to retirement. In 2013, the county spent \$103,270 in medical expenses for six LEOFF 1 retirees.

Note 7. Deferred Compensation Plan

The County offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administrated by Hartford, Washington State Deferred Compensation Plan, and Nationwide Deferred Compensation. The plans, available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

Compensation deferred under the plans and all income attributable to the plans is solely the property of the County. The County's rights to this property are subject only to the claims of the county's general creditors until paid to the employee or other beneficiary and are not restricted to the benefit provisions under the plan.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is highly unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 8. Long-Term Debt

The County issues general obligation bonds to finance the purchase of major capital items, the acquisition or construction of major capital facilities and other major items. General obligation bonds have been issued for both general government and proprietary activities and are being repaid from the applicable resources. The County had the following General Obligation Bonds outstanding at the end of 2013:

1. In 1997, bonded indebtedness was entered into to finance Douglas County's share of a new regional juvenile detention facility. The bond was refunded in 2005. The interest rate on this bond is from 3.9% to 5.4% with installments ranging from \$69,294.90 to \$86,736.55.
2. A General Obligation Bond was issued in 1998 to pay the cost of making certain improvements and betterments to certain county facilities and to acquire and construct a law and justice center for various judicial and law enforcement agencies and to advance refund the county's 1994 General Obligation Bonds. The interest on this bond is from 3% to 5.1% with installments ranging from \$280,000 to \$365,000. This bond is subject to federal arbitrage regulations.
3. In 2006, the County Roads Fund incurred general obligation debt in the amount of \$3,495,000 for construction of Badger Mountain Road. The interest rate on this bond ranges from 3.85% to 4.75% with installments ranging from \$70,000 to \$260,000.
4. A General Obligation Bond was issued in 2007 in the amount of \$4,610,000 to finance construction on McNeil Canyon Road and to provide for new County Transportation and Land Services buildings in Mansfield. The interest rate on this bond ranges from 3.7% to 4.3% with installments ranging from \$125,000 to \$305,000.
5. In 2008, the County incurred debt in the amount of \$812,540 to pay for improvements to Badger Mountain Road. The interest rate ranges from 3.25 % to 5.455%. The Bonds are payable from special assessments levied against real property in Road Improvement District No. 02-1. The County will redeem Bonds whenever there is sufficient money in the Road Improvement District

No. 02-1 Bond Redemption Fund. The amounts reflected in the following schedule are estimated principal payments. Interest payments were not estimated.

The accompanying Schedule of Long-Term Debt provides a listing of the outstanding debt of the County and summarizes the County's debt transactions for 2013.

Year Ending December 31	GO BONDS		PW Trust Fund		Total Debt
	Principal	Interest	Principal	Interest	
2014	584,594	466,654	85,674	4,746	1,141,668
2015	607,655	444,021	85,674	4,318	1,141,667
2016	631,737	420,204	85,674	3,889	1,141,504
2017	565,000	394,619	85,674	3,461	1,048,754
2018	585,000	371,650	85,674	3,033	1,045,357
2019-2023	3,325,000	1,470,193	428,370	10,879	5,234,441
2024-2028	3,555,000	690,953	178,140	1,526	4,425,618
2029-2032	1,140,000	125,345	0	0	1,265,345
Total	\$10,993,985	\$4,383,638	\$1,034,880	\$31,851	16,444,354

Note 9. Risk Management

Douglas County is a member of the Washington Counties Risk Pool ("Pool"). Other Washington counties that are Pool members include: Adams, Benton, Chelan and Clallam, Clark, Columbia and Cowlitz, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skagit, Skamania, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Kitsap, Klickitat and Whitman Counties are former Pool members, having voluntarily terminated their memberships beginning October 1st of 2010, 2002 and 2003 respectively.

Background: The Pool was formed August 18, 1988 after an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW was approved by several Washington counties. The agreement and cooperative created a mechanism to provide member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling, and risk management. Washington's pools operate under the state's "pooling" laws and regulations, more specifically, RCW 48.62 RCW and WAC 200.100. They must be first approved and then are overseen by the State Risk Manager, and they are subject to annual fiscal audits performed and issued by the State Auditor's Office.

Noteworthy is the definition of "insurer" within RCW 48.01.050 for application of the Washington Insurance Code, which reflects the following:

Two or more local government entities, under any provision of law, that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding are not an "insurer" under this code.

Thus, under Washington law the Pool is not an insurance company, and therefore, not subject to the rules governing insurance policy interpretation.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. Its core values include: being committed to learn, understand and respond to the member counties' insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations. The Pool's board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes, and being committed to continuous planning and innovation in product development and service delivery.

A Membership Compact was added as an addendum to the Interlocal Agreement in 2000. It constitutes a commitment to strengthen the Pool by helping member counties implement and/or enhance their local risk management efforts to reduce losses and support the best management of the Pool and its resources. It obligates member counties to support these goals through three major elements – membership involvement, risk control practices, and a targeted risk management program(s).

New members may be asked to pay modest fees to cover any costs to analyze the member's loss data and risk profile, but they are normally only required to contribute their proportional shares on their entry year's insuring assessments. Members contract initially under the Interlocal Agreement to remain in the Pool for at least five years. Following the initial term, a county may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files its required advance written notice; otherwise, the Interlocal Agreement and memberships automatically renew for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

Joint Self-Insurance Liability Program (“JSILP”): The Pool, which recently celebrated its Silver Anniversary, has been providing its membership with occurrence-based, jointly purchased and/or jointly self-insured 3rd-party liability coverage since October 1, 1988 for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by an occurrence during the policy period and occurring anywhere in the world. Total coverage limits have grown from the \$1 million limit that existed during the Pool's initial two insuring months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million occurrence limit that has existed since October 1, 2003. (Note: Additional occurrence limits of \$5 million have been available for many years for member counties to choose as an individual county-by-county option.) There are no aggregate limits to the payments the WCRP makes for any one member county or all member counties combined.

The initial \$10 million in coverage is jointly self-insured. The remaining JSILP coverage, up to \$15 million, is acquired as “following form” excess insurance from higher rated commercial carriers. Member counties annually select a deductible amount applicable to each occurrence from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000.

Reinsurance is acquired from higher rated carriers as well to protect the Pool directly and its member counties indirectly from larger-valued losses. The reinsuring program is written with a self-insured retention (“SIR”) equal to the greater of the applicable member's deductible or \$100,000. The reinsuring agreements also include first and second layer corridor elements – to \$1 million and from \$1 to \$2 million – with cumulative (WCRP) retentions of \$2.95 and \$0.65 million and annual aggregate limits of \$40 and \$20 million respectively.

616 third-party liability claims (and lawsuits) were reported to the Pool by its member counties during Py2013, and added to the Pool's administrative database. This represented a 3% reduction in year-over-year filings and a continuation of recent years' decline in annual filings. The new filings raised the to-date total (Oct 1988 – Sep 2013) to 19,232. Total incurred losses (payments made plus reserve estimates for *open* claims) increased \$8.1 million during Py2013 to \$250.9 million. The annual amount is 50% more than the corresponding Py2012 amount of \$5.4M, but it represents just 51% of the Py2011 increase of \$16.0M, 46% of the \$17.8M in Py2010, and only 39% of the \$20.8M annual average for Py2007 through Py2009. Only 327 claims remained classified as ‘*open*’ at year-end. With 307 additional claims projected by the actuary from all years as incurred but not yet reported (“IBNR”), the Pool's estimated ultimate claims totaled 19,539 as of September 30, 2013.

The independent actuary's projection of total reserves for claims that are expected to be the Pool's responsibility decreased slightly (-1%) from Py2012 to \$14.6 million. This amount includes \$3.4 million (-21% from Py2012) for losses within the Pool's self-insured retention, \$10.0 million (+7%) for losses subject to the “corridor” programs with the Pool's reinsurers, \$0.2 million for losses within the Py2013 quota-shared (10%) upper reinsured layer, and \$1.0 million (+3%) for estimated unallocated loss adjustment expenses. *NOTE: The corridor programs involving the WCRP's first (and now second) layer reinsurers began seven years ago. These programs included an occurrence coverage maximum of \$0.5 million during the first three years, \$1.0 million during the next three years, and of both \$1.0*

million and \$2.0 million beginning with Py2013. Occurrence coverage minimums have remained since the corridor program began the greater of the applicable member deductible or \$100,000.

Washington Counties Property Program (“WCPP”): Beginning with Py2006 (October 1, 2005), WCRP added property insurance as a county-by-county option that is jointly-purchased from a consortium of higher rated commercial carriers. Since the initial offering, both participation and the total values of covered properties have nearly doubled. Twenty six WCRP counties with covered properties totaling over \$2.7 billion participated in the optional insuring program during Py2013.

The WCPP includes All Other Peril coverage limits of \$500 million per occurrence for losses to buildings and contents, vehicles, mobile/contractors equipment, EDP and communication equipment, etc., as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. All Other Perils coverage limits apply to any occurrence, even those affecting more than one participating county, and there are no annual (AOP) aggregate limitations. Flood and Earthquake coverages each include annual aggregate limits of \$200 million. The WCPP coverage also includes sublimited items, e.g. Equipment Breakdown / Boiler & Machinery (\$100 million), Special Flood Hazard Areas (\$25 million). And there are endorsements for Green Construction Upgrades, Reproduction Coverage for Historic Structures, and Terrorism (\$20 million).

AOP occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000. Higher deductibles are applicable to losses resulting from catastrophe relevant losses.

There were 15 claims filed during Py2013 by participating counties with loss estimates totaling \$2.6 million and losses paid by fiscal year-end of \$1.5 million. During its initial eight years as a WCRP optional insuring program, there have been 103 WCPP claims filed with to-date incurred losses totaling \$15.5 million and losses paid through fiscal 2013 of \$8.9 million. Considering the fact that to-date WCPP premiums have totaled \$22.2 million, the WCPP’s cumulative loss ratio is below 0.7.

Other Insurances: Several member counties also use the Pool’s contracted producer (broker) to secure other (specialty) insurances. Examples include public officials bonds and crime (and fidelity), cyber risks/security, special events/concessionaires, underground storage tank and other environmental hazards insurance coverages.

Governance / Oversight: The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed by each member county. The Board, which is made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Pool’s Annual Meeting. The board of directors is responsible for a) determining the extent of the 3rd-party self-insured liability coverage to be offered (approving the insuring document or coverage form), b) selecting the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, c) approving the Pool’s annual operating budget(s) and work program(s), and d) approving the members’ deposit assessment and reassessment formulas for the policy year ensuing and for any deficient prior period(s).

Regular oversight of the Pool’s operations is provided by an 11-person executive committee selected from and by the WCRP Board. Committee members are elected to staggered, 3-year terms. The Committee meets several times throughout each policy year to: a) approve all WCRP disbursements and review the Pool’s financial health; b) approve case settlements exceeding the applicable member’s deductible by at least \$50,000; c) review all claims with incurred loss estimates exceeding \$100,000; and d) evaluate the Pool’s operations and program deliverables as well as the Executive Director’s performance. Committee members are expected to participate in the Board’s standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization’s policies and coverage documents.

Staffing and Support Teams: The Pool’s multi-person claims staff with years of combined experience handles or oversees the handling of the several hundred liability cases each year filed upon and submitted by the Pool’s member counties. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other WCRP staffers provide various member services, e.g conducting member and potential member risk assessments and compliance audits, coordinating numerous Pool-sponsored trainings, researching

other coverages, and marketing the Pool and its risk management services. Some address and support the organization's administrative needs.

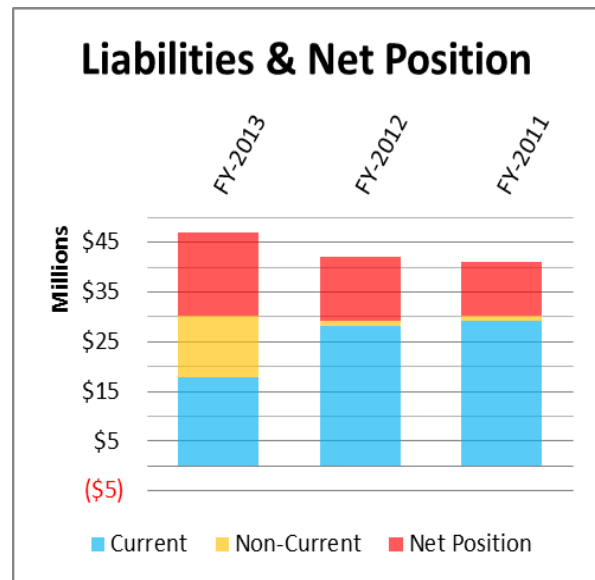
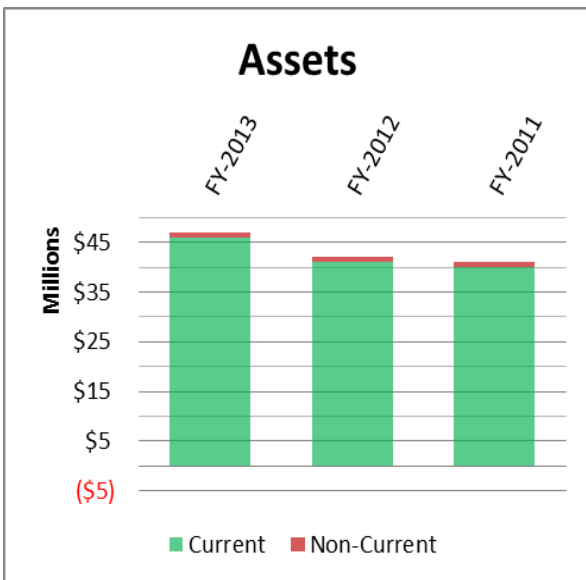
Professionals from some of the more respected organizations worldwide are regularly called upon to address various needs of the Pool. More specifically, independent actuarial services are furnished by PricewaterhouseCoopers, LLP. Independent claims auditing is performed by Startegic Claims Direction LLC, and special claims audits are occasionally performed by the Pool's commercial reinsurers/insurers.

Insurance producer (broker) and advanced loss control and prevention services are provided by Arthur J. Gallagher Risk Management Services, Inc.. Coverage counsel is furnished by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend the numerous Pool-covered cases, as well as the examinations by and services from both the State Risk Manager and State Auditor's Offices.

Financial Summary: During fiscal 2013, Pool assets grew 11% (+\$4.8 million) and liabilities by 3% (+\$1.0 million). Its net (financial) position, which is commonly referred to as "net assets" and sometimes as "owners' equity", improved 30% (+\$3.9 million) during the Pool's Silver Anniversary year to \$16.7 million as of September 30, 2013. Much of the net position is 'restricted' (\$12.5 million) to address the Board of Directors' recently revised requirements in section D of its Underwriting Policy.

NOTE: This policy revision resulted in the Pool's own restriction increasing \$7.5 million (+187%) and the unrestricted declining \$3.8 million (-53%). The (State Risk Manager's) solvency provisions in WAC 200.100.03001(3) required \$0.9 million for satisfaction, a year-over-year increase of \$0.1 million (+15%). Another \$0.9 million is invested in capital assets (net of debt). The remaining \$3.3 million is unrestricted.

\$3.75 million in operating income was experienced during Py2013, an increase of 111% from Py2012. Operating revenues were 'flat', but expenses declined nearly \$2.0 million (-15%). This reduction was in part due to even more favorable adjustments by the independent actuary, PricewaterhouseCoopers LLP ("PwC"), to the Pool's claims-related reserves, and to the reduction (-26%) in the premiums to acquire the reinsurance, excess insurance and property insurance policies requested by the Board.



Contingent Liability: The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits of the Pool resulting from any fiscal year are financed by reassessments (aka retroactive assessments) placed upon the deficient year's membership in proportion with the deposit assessments initially levied and collected. The Pool's reassessments receivable balance at December 31, 2013 was ZERO (\$0) as there were no known contingent liabilities at that time.

by proportional reassessments (aka retroactive assessments) amongst the deficient year's membership. The Pool's reassessments receivable balance at December 31, 2013 was ZERO (\$0) as no contingent liabilities were known to exist at that time.

Joint Self-Insurance Liability Program: The Pool has provided its member counties occurrence-based, jointly self-insured and/or jointly purchased liability coverage since October 1, 1988 for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, including public officials' errors and omissions. Total coverage limits have grown over time, from the \$1 million limit during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million limit existing the past eight years. (Note: Additional limits of \$5 million were offered the past several years for acquisition as a member-by-member option.)

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial coverage of at least \$10 million has been fully reinsured since October 1994 by superior-rated commercial carriers. Members annually select a deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000 for each occurrence. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance, also from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

The Pool's claims database increased during Py2013 with the addition of 634 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 18,616. Estimates of total incurred losses (payments made plus reserved estimates for *open* claims) increased \$5.4 million during the year to \$242.8 million. The Py2013 amount represents just 34% of the corresponding \$16.0M increase in Py2011, 30% of the \$17.8M in Py2010, and only 26% of the \$20.8M annual average during Py2007 – Py2009.

Washington Counties Property Program ("WCPP"): Since the Pool began offering the jointly-purchased, fully-insured property insurance coverage to its membership as an individual county option in October 2005, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty six member counties with covered properties totaling nearly \$2.67 billion participated in this program during Py2013.

Coverage is for structures, vehicles, mobile equipment, EDP equipment, etc., and composite limits include \$500 million for normal (All Other Perils) exposures and \$200 million for catastrophe (Flood / Earthquake) exposures. Occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000 for the AOP coverage.

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 7 claims filed during Py2013 by participating counties with incurred loss estimates totaling \$0.35 million. During the WCPP's first seven years as a WCRP optional insuring program, there have been 85 property claims filed with incurred-to-date losses totaling slightly more than \$11 million. With to-date premiums for this coverage totaling nearly \$16.5 million, the program's cumulative loss ratio is 0.667.

Other Insurances: Several member counties also use the Pool's producer (broker) for other insurance placements. Public officials bonds, crime (& fidelity), special events/concessionaires, Underground Storage Tanks and other environmental hazards insurance coverages are examples.

Background: The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. Washington's pools operate under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 200.100 WAC. They are overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool's core values include: being committed to learn, understand and respond to the member counties'

insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool's board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

The enabling Interlocal Agreement was amended once (in 2000) to add a Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The intent of the Compact was to obligate member counties to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

A new member may be asked to pay modest admittance fees to cover that member's share of the Pool's organizational expenses and costs to analyze its loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for its proportional shares of any unresolved, unreported, and in-process claims for the periods that former member was a signatory to the Interlocal Agreement.

Governance / Oversight: The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year, with the summer meeting being the Pool's Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring document or coverage form), the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas applicable to the ensuing policy year.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee persons are elected by the Pool's board of directors from its membership to staggered, 3-year terms. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve any case settlement exceeding the member's deductible by at least \$50,000, and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

Staffing and Support Teams: The Pool's 6-person claims staff with more than ninety years of combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed upon the Pool's member counties each year. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other Pool staffers provide various member services, e.g. conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Also, professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; independent claims auditing is performed by Startegic Claims Direction with special claims audits frequently performed by the Pool's commercial reinsurers / insurers; insurance producer (broker) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; and coverage counsel is provided by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend Pool cases, as well as the examinations by and services from the State Risk Manager and the State Auditor.

Financial Summary: The following constitute the most significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2011 through September 2013):

- Net Operating Income realized was \$1.8 million, a 132% year-over-year increase and nearly triple the annual average from the past ten years, 2002-11.
- Total Assets grew \$1.0 million (2%) to \$42.1 million. Current assets increased \$1.2 million (3%) while non-current assets decreased \$0.2 million (16%).
- Total Claims Reserves for the Pool's direct reserving exposures decreased 2% to \$14.7 million. This total includes: \$4.3 million for losses in the coverage layer retained by the Pool, down 23%; \$9.4 million for the aggregated stop losses in the retained layers associated with the "corridor" program for automobile and general liabilities, up 10%; and \$1.0 million for unallocated loss adjustment expenses, up 17% from one year ago. *NOTE: The corridor program referenced is now six years old yet still not fully matured. Further, its occurrence coverage maximum was increased to \$1.0 million beginning with Py2010, up from the \$0.5 million level that existed during the program's first three years, while the program's occurrence minimum remains the greater of the applicable member's deductible or \$100,000.*
- Net Position (formerly referred to as *Net Assets* and also known as *Members' Equity*) increased \$1.8 million to nearly \$12.9 million as of September 30, 2013. Of that total, \$4.8 million is classified as *Restricted Net Position* — \$0.8 million to satisfy the State's solvency provisions (WAC 200.100.03001) plus \$4.0 million for the Pool's Underwriting Policy requirements – and another \$1.0 million is held as *Capital Assets* (net of debt). The remaining \$7.1 million held as *Non-Restricted Net Position*, up from \$4.4 million one year before, is available for use as directed by the Pool's Board of Directors.

Note 10. Interfund Transactions and Balances

The following table displays interfund loan activity during 2013:

Borrowing Fund	Lending Fund	Balance 1/1/2013	New Loans	Repayments	Balance 12/31/2013
NCW Fair	General Fund	\$0	\$40,000	\$40,000	\$0
Fin Software Implem	Election Reserve	200,000	0	0	200,000
Parkside Project	Election Reserve	500,000	33,000	0	533,000
Parkside Project	Post Annexation	600,000	0	0	600,000
TOTAL		\$1,300,000	\$73,000	\$40,000	\$1,333,000

Note 11. Joint Ventures

Douglas County participates in the following joint ventures:

The County and eight other counties; Stevens, Pend Oreille, Spokane, Adams, Asotin, Lincoln, Whitman, and Ferry, entered into an Interlocal Juvenile Detention Facility Agreement (Martin Hall) for the purchase and improvements to Martin Hall on the Eastern State Hospital campus, for use as a juvenile rehabilitation center. The County is responsible for paying its contracted bed rentals and its share of the bond floated for the purchase and improvements to the building. Lincoln County accounts for Martin Hall as an agency fund. Copies of Martin Hall's financial statements can be obtained from Lincoln County Auditor, 450 Logan Street, Davenport, Washington, 99122.

In 2002, Douglas County, Chelan County, the City of Wenatchee, and the City of East Wenatchee, entered into an Interlocal Cooperative Agreement under the authority of RCW Chapter 39.34 in order to provide for the joint exercise of their powers, privileges and authorities to operate a consolidated 911 emergency dispatch facility they named Rivercom. Rivercom began operations in July 2004, and serves as the Public Safety Answering Point for all of the law enforcement agencies in Chelan and Douglas counties, as well as for the vast majority of Fire and Emergency Medical Service agencies in the bicounty region. Douglas County is charged a user fee based on usage of Rivercom services as evidenced by either the number of radio logs and/or dispatched events. In 2013 Douglas County will account for Rivercom as an Agency fund and financial reports can be obtained from the Douglas County Auditor, PO Box 456, Waterville, Washington, 98858.

Note 12. Subsequent Events

Legislation was passed in 2014 requiring Regional Support Networks to have a minimum of 60,000 covered lives. Since Chelan Douglas Regional Support Network is under that threshold they will be required to merge with another Regional Support Network by April 2016.

Douglas County

Schedule of Liabilities
For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	251.11	Limited Gen. Obligation Bonds	12/1/2016	324,497	0	75,512	248,985
	251.11	Limited Gen. Obligation Bonds	12/1/2028	4,245,000	0	190,000	4,055,000
	251.11	Limited Gen. Obligation Bonds	12/1/2026	2,760,000	0	150,000	2,610,000
	251.11	Limited Gen. Obligation Bonds	12/1/2032	4,220,000	0	140,000	4,080,000
	263.81	Public Works Trust fund Loan	7/1/2035	194,810		16,234	178,576
	263.81	Public Works Trust fund Loan	7/1/2036	753,045		57,927	695,119
	263.81	Public Works Trust fund Loan	7/1/2038	172,698		11,513	161,185
	259.11	COMPENSATED ABSENCES		959,692	1,046,602	989,338	1,016,956
Total General Obligations:				13,629,742	1,046,602	1,630,524	13,045,821
Total Liabilities:				13,629,742	1,046,602	1,630,524	13,045,821

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures		Footnote Ref
				From Pass-Through Awards	From Direct Awards	
Office Of Community Planning And Development, Department Of Housing And Urban Development/Wash State DOC	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	12-65400-023	385,321		385,321
Violence Against Women Office, Department Of Justice/C TED	Violence Against Women Formula Grants	16.588	NA	34,198		34,198
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7123	204,188		204,188
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7123	92,772		92,772
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7427	30,117		30,117
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7429	21,178		21,178
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7428	263,993		263,993
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7340	155,342		155,342
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7944	152,532		152,532
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	LA-7906	14,130		14,130
Total CFDA 20.205				934,252	0	934,252

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

National Highway Traffic Safety Administration (nhitsa), Department Of Transportation/WSDOT	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	NA	7,373		7,373	
U.s. Election Assistance Commission/Wash State Sec of State	Help America Vote Act Requirements Payments	90.401	G-2834	2,397		2,397	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services/Wash State DSHS	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	NA	78,179		78,179	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services/Wash State DSHS	Block Grants for Community Mental Health Services	93.958	1169-35525	66,054		66,054	
Department Of Homeland Security/Military Dept	Boating Safety Financial Assistance	97.012	NA	21,484		21,484	
Department Of Homeland Security/Military Dept	Homeland Security Grant Program	97.067	E08-089	74,062		74,062	
Total Federal Awards Expended:				1,603,320	0	1,603,320	

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

DOUGLAS COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the county's financial statements. The county uses the flow of current financial resources measurement focus for governmental fund types.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only federal grant portions of the program costs. Entire program costs, including the county's portion, may be more than shown.

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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov