



**Office of the Washington State Auditor**  
**Pat McCarthy**

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

# **Grays Harbor County**

**For the period January 1, 2017 through December 31, 2017**

**Published September 17, 2018**

**Report No. 1022161**





**Office of the Washington State Auditor  
Pat McCarthy**

September 17, 2018

Board of Commissioners  
Grays Harbor County  
Montesano, Washington

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized "P" and "M".

Pat McCarthy  
State Auditor  
Olympia, WA

## TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Summary Schedule of Prior Audit Findings .....	6
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.....	9
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance .....	12
Independent Auditor's Report on Financial Statements.....	15
Financial Section.....	19
About the State Auditor's Office.....	58

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Grays Harbor County January 1, 2017 through December 31, 2017

#### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Grays Harbor County are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

##### Financial Statements

We issued an unmodified opinion on the fair presentation of the County’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation of all funds with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

##### 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 in accordance with 2 CFR 200.516(a).

### **Identification of Major Federal Programs:**

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
10.766	Community Facilities Loans and Grants Cluster - Community Facilities Loans and Grants
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 the Uniform Guidance, was \$750,000.

The County did not qualify as a low-risk auditee under the Uniform Guidance.

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.



# GRAYS HARBOR COUNTY

STATE OF WASHINGTON

100 West Broadway, Suite 32  
Montesano, Washington 98563  
Phone (360) 249-4144 Fax (360) 249-5669

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Grays Harbor County January 1, 2017 through December 31, 2017

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> January 1, 2016 - December 31, 2016	<b>Report Ref. No.:</b> 1019926	<b>Finding Ref. No.:</b> 2016-001
<b>Finding Caption:</b> The County's internal controls were inadequate to ensure the Schedule of Expenditures of Federal Awards is accurate and complete.		
<b>Background:</b> County management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting. Our audit identified deficiencies in internal controls over financial reporting that could affect the County's ability to produce reliable financial statements.  In addition to annual financial statements, all entities in Washington that receive federal money are required to prepare a Schedule of Expenditures of Federal Awards (SEFA) as part of their annual financial report. The SEFA should include all County expenditures of federal money in each fiscal year.  The County lacked an effective preparation and review process to ensure all expenditures of federal money during the current fiscal year were reported on the SEFA. Our audit identified the follow errors on the SEFA: <ul style="list-style-type: none"><li>• \$145,468 was expended in 2017 but reported for 2016 for the Clean Water</li></ul>		

State Revolving Fund Cluster (CFDA 66.458). <ul style="list-style-type: none"> <li>\$206,819 was expended in 2017 but reported for 2016 for the Community Development Block Grant (CFDA 10.766).</li> </ul>
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid
<b>Corrective Action Taken:</b> <i>Staff members involved with these grants now have more experience and training. The County sent more employees to grant management training during 2017. The 2017 SEFA report was checked several different ways, including tracing back to the actual disbursements.</i>

<b>Audit Period:</b> January 1, 2016 - December 31, 2016	<b>Report Ref. No.:</b> 1019926	<b>Finding Ref. No.:</b> 2016-002	<b>CFDA Number(s):</b> 10.557
<b>Federal Program Name and Granting Agency:</b> Special Supplemental Nutrition Program for Women, Infants and Children.  Food and Nutrition Service, Department of Agriculture.		<b>Pass-Through Agency Name:</b> Washington State Department of Health	
<b>Finding Caption:</b> The County did not have adequate internal controls to ensure compliance with federal allowable costs and cost principles for its Women, Infants and Children (WIC) program.			
<b>Background:</b>  During 2016, the County spent \$293,905 in federal grant funds for this program. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is designed to provide supplemental nutritious foods, nutrition education and referrals to health care for low-income people during critical periods of growth and development.  Eligible participants for the program include pregnant women, breast-feeding women up to one year after birth, non-breast-feeding women up to six months after birth, infants less than 1 year of age, and children under age 5 determined to be at nutritional risk.  Federal regulations require recipients of federal money to maintain adequate internal controls to ensure federal dollars are spent for allowable purposes and are correctly charged to the program as either direct or indirect costs.  The County did not have adequate internal controls over its reimbursement request process to ensure it sought payment from the granting agency only for allowable costs. Our audit found the County calculated a percentage of payroll costs for staff working on multiple programs and			

incorrectly allocated these expenditures to the grant as direct costs. These amounts totaled \$16,694. Allocations of administrative expenditures should be classified as indirect costs under federal regulations and included in an indirect cost rate. However, the County already uses the de minimis indirect cost rate allowed under Uniform Guidance. Therefore, the payroll costs described above cannot be charged to the program at all.

We consider this control deficiency to be a significant deficiency. This issue was not reported as a finding in the prior audit.

**Status of Corrective Action: (check one)**

☒ Fully Corrected      ☐ Partially Corrected      ☐ Not Corrected      ☐ Finding is considered no longer valid

**Corrective Action Taken:**

*At the time we were informed of the finding, we re-coded all staff time that had been documented as an allocated direct expense to be an indirect expense. The change was retroactive to January 2017 and has remained in place moving forward.*

*We contacted the contract manager for each grant we administer and advised them of the finding. We submitted revised billings for January-September and in the event that a net overpayment had occurred, we advised them of our intent to repay any funds upon request; however no requests were received. In the case of the WIC grant, no net overpayment was identified.*

*All staff are currently coding actual time spend to each single cost center. If no single cost center can be identified, the staff time is coded as indirect.*

*We continue to use the de minimis rate and use local funding to support indirect costs above the allowable 10% of modified total direct costs.*

**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**

**Grays Harbor County  
January 1, 2017 through December 31, 2017**

Board of Commissioners  
Grays Harbor County  
Montesano, 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 Grays Harbor County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 11, 2018.

As discussed in Note 12 to the financial statements, during the year ended 2017, the County adopted guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual.

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 by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that

are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

## COMPLIANCE AND OTHER MATTERS

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

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

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized "P" and "M".

Pat McCarthy

State Auditor

Olympia, WA

September 11, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE**

**Grays Harbor County  
January 1, 2017 through December 31, 2017**

Board of Commissioners  
Grays Harbor County  
Montesano, Washington

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

We have audited the compliance of Grays Harbor County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

## **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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy  
State Auditor  
Olympia, WA

September 11, 2018

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## Grays Harbor County January 1, 2017 through December 31, 2017

Board of Commissioners  
Grays Harbor County  
Montesano, Washington

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Grays Harbor County, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 19.

#### 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 opinions 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, Grays Harbor County has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by 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 Grays Harbor County, for the year ended December 31, 2017, 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 Grays Harbor County, as of December 31, 2017, 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 discussed in Note 12 to the financial statements, in 2017, the County adopted new accounting guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is 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 11, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

September 11, 2018

## **FINANCIAL SECTION**

### **Grays Harbor County January 1, 2017 through December 31, 2017**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2017  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2017  
Notes to Financial Statements – 2017

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

Schedule of Liabilities – 2017  
Schedule of Expenditures of Federal Awards – 2017  
Notes to the Schedule of Expenditures of Federal Awards – 2017

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>101 Special Projects</b>	<b>102 Auditor's M&amp;O</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	27,526,033	-	51,504	356,256
30880	Unreserved	5,819,391	5,819,391	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	30,186,577	15,570,366	-	-
320	Licenses and Permits	1,349,859	1,332,236	-	-
330	Intergovernmental Revenues	19,558,356	4,187,171	986,233	60,877
340	Charges for Goods and Services	11,604,770	3,432,360	-	51,748
350	Fines and Penalties	1,669,607	1,643,520	-	-
360	Miscellaneous Revenues	5,766,816	1,298,831	30,000	-
Total Revenues:		70,135,985	27,464,484	1,016,233	112,625
<b>Expenditures</b>					
510	General Government	16,629,577	11,904,853	-	51,460
520	Public Safety	16,475,525	14,400,081	197,906	-
530	Utilities	2,508,708	-	-	-
540	Transportation	12,361,576	-	-	-
550	Natural and Economic Environment	3,651,424	506,724	466,235	-
560	Social Services	6,926,851	996,586	-	-
570	Culture and Recreation	1,224,795	208,280	145,189	-
Total Expenditures:		59,778,455	28,016,525	809,330	51,460
Excess (Deficiency) Revenues over Expenditures:		10,357,530	(552,042)	206,903	61,165
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	1,102,148	-	-	-
397	Transfers-In	5,241,534	1,080,981	50,000	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	105	-	-	-
381, 395, 398	Other Resources	5,555,755	1,227,276	-	-
Total Other Increases in Fund Resources:		11,899,542	2,308,257	50,000	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	7,986,309	58,126	-	-
591-593, 599	Debt Service	1,597,178	-	-	-
597	Transfers-Out	5,289,081	1,694,649	50,000	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	92	-	-	-
581	Other Uses	423,602	100,000	-	-
Total Other Decreases in Fund Resources:		15,296,262	1,852,775	50,000	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>6,960,810</b>	<b>(96,559)</b>	<b>206,903</b>	<b>61,165</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	33,550,220	-	258,408	417,422
5088000	Unreserved	6,756,015	5,722,832	-	-
<b>Total Ending Cash and Investments</b>		<b>40,306,234</b>	<b>5,722,832</b>	<b>258,408</b>	<b>417,422</b>

The accompanying notes are an integral part of this statement.

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>103 Fairgrounds &amp; Events</b>	<b>104 Trial Court Improvement</b>	<b>105 Paths &amp; Trails</b>	<b>106 Law Library</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	32,029	110,207	36,968	28,457
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	39,710	-	12,418	-
340	Charges for Goods and Services	336,956	46,899	-	31,434
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	289,122	-	201	-
Total Revenues:		665,788	46,899	12,619	31,434
<b>Expenditures</b>					
510	General Government	-	58,448	-	20,943
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	206,023	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	788,327	-	-	-
Total Expenditures:		994,349	58,448	-	20,943
Excess (Deficiency) Revenues over Expenditures:		(328,561)	(11,549)	12,619	10,491
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	313,638	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	100,000	-	-	-
Total Other Increases in Fund Resources:		413,638	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	100,000	-	-	-
Total Other Decreases in Fund Resources:		100,000	-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(14,924)</b>	<b>(11,549)</b>	<b>12,619</b>	<b>10,491</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	17,106	98,658	49,588	38,949
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>17,106</b>	<b>98,658</b>	<b>49,588</b>	<b>38,949</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>107 Affordable Housing</b>	<b>108 Sheriff's Law Enforcement</b>	<b>109 Crime Victim</b>	<b>110 Roads</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	703,197	115,142	14,437	3,104,849
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	6,884,764
320	Licenses and Permits	-	-	-	4,813
330	Intergovernmental Revenues	-	-	68,044	9,786,225
340	Charges for Goods and Services	78,352	-	45,691	313,953
350	Fines and Penalties	-	-	9,291	-
360	Miscellaneous Revenues	2,554	-	-	25,612
Total Revenues:		80,906	-	123,026	17,015,368
<b>Expenditures</b>					
510	General Government	-	-	107,092	-
520	Public Safety	-	4,633	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	10,743,403
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	4,633	107,092	10,743,403
Excess (Deficiency) Revenues over Expenditures:		80,906	(4,633)	15,934	6,271,964
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	1	-
381, 395, 398	Other Resources	-	-	-	1,418,345
Total Other Increases in Fund Resources:		-	-	1	1,418,345
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	5,159,294
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	8,643
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	5,167,937
<b>Increase (Decrease) in Cash and Investments:</b>		<b>80,906</b>	<b>(4,633)</b>	<b>15,935</b>	<b>2,522,372</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	784,102	110,508	30,371	5,627,222
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>784,102</b>	<b>110,508</b>	<b>30,371</b>	<b>5,627,222</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>111 Treasurer's M&amp;O</b>	<b>112 Stadium</b>	<b>113 GH Raceway</b>	<b>114 Veterans Relief</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	198,926	1,608,759	-	71,752
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	24,530	1,725,459	-	69,794
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	2,526
340	Charges for Goods and Services	99,620	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	1,958	4,000	8
Total Revenues:		124,150	1,727,417	4,000	72,328
<b>Expenditures</b>					
510	General Government	139,382	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	664,251	-	-
560	Social Services	-	-	-	22,483
570	Culture and Recreation	-	-	3,217	-
Total Expenditures:		139,382	664,251	3,217	22,483
Excess (Deficiency) Revenues over Expenditures:		(15,232)	1,063,166	783	49,845
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	6,839
Total Other Increases in Fund Resources:		-	-	-	6,839
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	6,736	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	672,588	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	679,325	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(15,232)</b>	<b>383,841</b>	<b>783</b>	<b>56,684</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	183,694	1,992,601	783	128,436
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>183,694</b>	<b>1,992,601</b>	<b>783</b>	<b>128,436</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>116 Election Reserve</b>	<b>117 Aberdeen Landfill Postclosure</b>	<b>118 ORV Park</b>	<b>129 Public Health &amp; Social Services</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	149,157	912,943	23,111	1,351,774
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	5,220
330	Intergovernmental Revenues	-	-	-	1,704,832
340	Charges for Goods and Services	72,225	-	-	296,443
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	14,322	16,208	126,294
Total Revenues:		72,225	14,322	16,208	2,132,788
<b>Expenditures</b>					
510	General Government	7,134	-	-	670,438
520	Public Safety	-	-	-	-
530	Utilities	-	139,269	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	2,892,874
570	Culture and Recreation	-	-	79,783	-
Total Expenditures:		7,134	139,269	79,783	3,563,312
Excess (Deficiency) Revenues over Expenditures:		65,091	(124,947)	(63,575)	(1,430,523)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	65,000	882,858
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	170,000	-	-
Total Other Increases in Fund Resources:		-	170,000	65,000	882,858
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	5,429	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	53,602	-	-
Total Other Decreases in Fund Resources:		5,429	53,602	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>59,662</b>	<b>(8,549)</b>	<b>1,425</b>	<b>(547,665)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	208,819	904,394	24,535	804,108
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>208,819</b>	<b>904,394</b>	<b>24,535</b>	<b>804,108</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>130 Real Estate Excise Tax Technology</b>	<b>131 Tax Refund</b>	<b>132 Excise/ Revaluation M&amp;O</b>	<b>135 Emergency Communication Tax</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	130,071	14,284	62,439	132,028
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	1,740,315
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	12,857	-
340	Charges for Goods and Services	-	-	11,398	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	561
Total Revenues:		-	-	24,254	1,740,877
<b>Expenditures</b>					
510	General Government	1,621	-	31,000	-
520	Public Safety	-	-	-	1,872,904
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,621	-	31,000	1,872,904
Excess (Deficiency) Revenues over Expenditures:		(1,621)	-	(6,745)	(132,028)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(1,621)</b>	<b>-</b>	<b>(6,745)</b>	<b>(132,028)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	128,450	14,284	55,694	-
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>128,450</b>	<b>14,284</b>	<b>55,694</b>	<b>-</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>137 Public Safety Sales Tax</b>	<b>139 Chemical Dependency/MH / Therapy Court</b>	<b>140 Mental Health</b>	<b>145 Homeless Housing</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	4,359,409	1,150,970	1,553,588
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,551,352	1,083,935	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	583,021	1,053,388
340	Charges for Goods and Services	-	-	-	413,653
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	19,848	4,256	6,878
Total Revenues:		1,551,352	1,103,783	587,277	1,473,919
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	761,472	576,720	1,670,440
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	761,472	576,720	1,670,440
Excess (Deficiency) Revenues over Expenditures:		1,551,352	342,311	10,557	(196,521)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	16,270	-
397	Transfers-In	-	-	145,891	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	162,161	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	518,170	692,432	128,000	97,799
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		518,170	692,432	128,000	97,799
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1,033,182</b>	<b>(350,121)</b>	<b>44,718</b>	<b>(294,320)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	4,009,289	1,195,688	1,259,268
5088000	Unreserved	1,033,182	-	-	-
<b>Total Ending Cash and Investments</b>		<b>1,033,182</b>	<b>4,009,289</b>	<b>1,195,688</b>	<b>1,259,268</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		201 LTGO Refunding Bonds 2012	203 Pavilion Bonds	206 LOCAL Program Fin- Energy Retrofit	207 LOCAL Program Fin- Jail Security
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	-	-	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	-	-	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	783,638	65,520	45,250	37,916
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		783,638	65,520	45,250	37,916
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	783,638	65,520	45,250	37,916
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		783,638	65,520	45,250	37,916
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1</b>	<b>-</b>	<b>(0)</b>	<b>0</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>208 LOCAL Program Fin- Real Estate</b>	<b>301 Facilities Capital</b>	<b>302 Software Replacement Reserve</b>	<b>303 Fair Building Construction</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	150,000	7,889	157,053
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	3,755
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	20,000
Total Revenues:		-	-	-	23,755
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	-	-	23,755
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	833,339
397	Transfers-In	17,222	465,000	291,000	116,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	53,602	-
Total Other Increases in Fund Resources:		17,222	465,000	344,602	949,339
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	90,084	109,466	1,023,681
591-593, 599	Debt Service	17,222	-	1,698	6,000
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	70,000	100,000
Total Other Decreases in Fund Resources:		17,222	90,084	181,164	1,129,681
<b>Increase (Decrease) in Cash and Investments:</b>		<b>0</b>	<b>374,916</b>	<b>163,438</b>	<b>(156,588)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	524,916	171,327	465
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>-</b>	<b>524,916</b>	<b>171,327</b>	<b>465</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>305 Reserve for Courtroom Construction</b>	<b>307 Cumulative Reserve Construction</b>	<b>309 Capital Improvements</b>	<b>310 Distressed Area Capital</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	300,000	593,171	399,063	1,571,991
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	439,455	985,097
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	131,046	238	4,256
Total Revenues:		-	131,046	439,693	989,353
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	331,585
560	Social Services	-	6,276	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	6,276	-	331,585
Excess (Deficiency) Revenues over Expenditures:		-	124,770	439,693	657,768
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	300,000	-	-
Total Other Increases in Fund Resources:		-	300,000	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	183	-	-	-
591-593, 599	Debt Service	-	778	-	81,600
597	Transfers-Out	-	305,304	400,000	643,334
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		183	306,082	400,000	724,934
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(183)</b>	<b>118,688</b>	<b>39,693</b>	<b>(67,166)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	299,817	711,858	438,756	1,504,824
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>299,817</b>	<b>711,858</b>	<b>438,756</b>	<b>1,504,824</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>401 Solid Waste Plan</b>	<b>402 Hogan's Corner Water System</b>	<b>403 Tax Title Management</b>	<b>404 Pacific Beach Sewer System</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	342,135	259,416	3,067,489	679,815
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	111,509	-
320	Licenses and Permits	-	-	7,590	-
330	Intergovernmental Revenues	66,950	-	-	-
340	Charges for Goods and Services	1,355,816	242,563	107	726,406
350	Fines and Penalties	-	-	-	14,116
360	Miscellaneous Revenues	25,423	851	119,696	777,482
Total Revenues:		1,448,189	243,414	238,902	1,518,004
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	1,346,949	80,600	-	499,746
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	1,476,606	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,346,949	80,600	1,476,606	499,746
Excess (Deficiency) Revenues over Expenditures:		101,240	162,814	(1,237,704)	1,018,258
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	50,000	-	515,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	8	-
381, 395, 398	Other Resources	-	-	2,241,698	-
Total Other Increases in Fund Resources:		-	50,000	2,241,706	515,000
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	12,804	-	49,954	-
591-593, 599	Debt Service	-	154,554	-	403,003
597	Transfers-Out	17,222	-	4,797	4,027
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	8	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		30,026	154,554	54,759	407,030
<b>Increase (Decrease) in Cash and Investments:</b>		<b>71,214</b>	<b>58,260</b>	<b>949,243</b>	<b>1,126,228</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	413,349	317,676	4,016,733	1,806,043
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>413,349</b>	<b>317,676</b>	<b>4,016,733</b>	<b>1,806,043</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>405 Pacific Beach/Moclips Water System</b>	<b>406 North Beach Water System</b>	<b>407 Illahee Oyehut Sewer System</b>	<b>501 Equipment Rental &amp; Revolving</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	757,314	69,273	475,235	1,505,585
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	994,105	-
340	Charges for Goods and Services	530,162	97,007	97,022	1,010,276
350	Fines and Penalties	-	-	2,681	-
360	Miscellaneous Revenues	3,744	396	-	2,824,539
Total Revenues:		533,906	97,403	1,093,808	3,834,814
<b>Expenditures</b>					
510	General Government	-	-	-	1,087,397
520	Public Safety	-	-	-	-
530	Utilities	289,218	79,947	72,979	-
540	Transportation	-	-	-	1,618,173
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		289,218	79,947	72,979	2,705,570
Excess (Deficiency) Revenues over Expenditures:		244,688	17,456	1,020,829	1,129,245
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	252,540	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	78
381, 395, 398	Other Resources	-	-	-	37,995
Total Other Increases in Fund Resources:		-	-	252,540	38,073
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	880,633	530,735
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	52,118
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	78
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	880,633	582,930
<b>Increase (Decrease) in Cash and Investments:</b>		<b>244,688</b>	<b>17,456</b>	<b>392,736</b>	<b>584,388</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	1,002,002	86,729	867,970	2,089,972
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>1,002,002</b>	<b>86,729</b>	<b>867,970</b>	<b>2,089,972</b>

**Grays Harbor County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>503 Central Services</b>	<b>504 Management Services</b>
		<hr/>	<hr/>
<b>Beginning Cash and Investments</b>			
30810	Reserved	517,033	401,313
30880	Unreserved	-	-
388 / 588	Prior Period Adjustments, Net	-	-
<b>Revenues</b>			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	1,045,923	1,265,000
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	15,764	2,729
Total Revenues:		<hr/> 1,061,687	<hr/> 1,267,729
<b>Expenditures</b>			
510	General Government	1,065,138	1,484,671
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		<hr/> 1,065,138	<hr/> 1,484,671
Excess (Deficiency) Revenues over Expenditures:		(3,451)	(216,942)
<b>Other Increases in Fund Resources</b>			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	49,564	267,057
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	19	-
381, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		<hr/> 49,583	<hr/> 267,057
<b>Other Decreases in Fund Resources</b>			
594-595	Capital Expenditures	59,183	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	5	-
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		<hr/> 59,188	<hr/> -
<b>Increase (Decrease) in Cash and Investments:</b>		<hr/> <b>(13,056)</b>	<hr/> <b>50,115</b>
<b>Ending Cash and Investments</b>			
5081000	Reserved	503,977	451,428
5088000	Unreserved	-	-
<b>Total Ending Cash and Investments</b>		<hr/> <b>503,977</b>	<hr/> <b>451,428</b>

**Grays Harbor County**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		<b>Total for All Funds (Memo Only)</b>	<b>Private-Purpose Trust</b>	<b>Agency</b>
308	Beginning Cash and Investments	58,178,463	1,224,788	56,953,675
388 & 588	Prior Period Adjustment, Net	-	-	-
310-390	Additions	241,666,018	2,324,254	239,341,764
510-590	Deductions	240,042,181	2,203,849	237,838,331
	Net Increase (Decrease) in Cash and Investments:	1,623,837	120,405	1,503,436
508	Ending Cash and Investments	59,802,299	1,345,192	58,457,107

*The accompanying notes are an integral part of this statement.*

**GRAYS HARBOR COUNTY, WASHINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**Note 1 – Summary of Significant Accounting Policies**

Grays Harbor County was incorporated on May 15, 1915 and operates under the laws of the state of Washington applicable to a county government. The County is a general purpose local government and provides the following services: public safety, road improvement, solid waste management, planning and zoning, parks and recreation, judicial administration, health and social services and general administrative services. In addition, the County owns and operates a water and sewer system.

The County reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

**GOVERNMENTAL FUND TYPES:**

**General Fund**

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

### Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest, and related costs on general long-term debt.

### Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

### PROPRIETARY FUND TYPES:

#### Enterprise Funds

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

#### Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

### FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

#### Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

#### Agency Funds

These funds are used to account for assets that the government holds on behalf of others in a custodial capacity.

## **B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

## **C. Budgets**

The County adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the general fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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 follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
<b>General Fund:</b>			
Assessor	\$1,470,673	\$1,398,898	\$71,775
Auditor	827,000	770,366	56,634
Board Of Equalization	69,600	59,836	9,764
Civil Service	21,180	19,480	1,700
Clerk	711,136	710,983	153
Commissioners	490,836	482,312	8,524
Environmental Health	812,110	773,513	38,597
Coroner	267,500	239,320	28,180
Facility Services	1,189,194	1,181,615	7,579
Corrections	4,736,391	4,468,318	268,074
LEOFF 1 Disability Board	10,229	8,779	1,450
Boundary Review Board	8,023	7,763	260
WSU Extension & Noxious Weed	223,972	206,262	17,710
District Court	1,299,550	1,294,897	4,653
Emergency Management	198,661	198,376	286
Juvenile	2,322,275	2,167,696	154,579
LEOFF 1 Benefits	278,000	151,391	126,609
Planning & Building	1,041,000	890,495	150,505
Prosecutor	2,505,319	2,433,644	71,675
Security	419,955	386,863	33,092
Sheriff	7,042,480	6,793,828	248,652
Superior Court	816,708	811,589	5,119
Treasurer	695,819	690,826	4,993
Public Defense	1,370,000	1,369,749	251
Park & Vegetation Management	50,000	35,227	14,773
Advanced Expenditure	250,000	222,219	27,781
Non-Departmental	2,304,502	2,182,399	122,103
Total General Fund	\$31,432,113	\$29,956,642	\$1,475,471
<b>Miscellaneous Funds:</b>			
Special Projects	\$1,215,911	\$859,330	\$356,581
Auditor's M&O	97,745	51,460	46,285
Fairgrounds & Events	1,142,462	1,094,349	48,113
Trial Court Improvement	60,800	58,448	2,352
Law Library	23,482	20,943	2,539

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Sheriff's Law Enforcement	20,000	4,633	15,367
Federal Equitable Sharing	96,245	0	96,245
Crime Victim	113,960	107,092	6,868
Roads	21,539,890	15,911,340	5,628,550
Treasurer's M&O	150,445	139,382	11,063
Stadium	619,970	398,556	221,414
Tourism	988,671	945,019	43,652
GH Raceway	4,000	3,217	783
Veterans Relief	48,400	22,483	25,917
Election Reserve	210,228	12,564	197,664
Aberdeen Landfill Postclosure	358,500	192,871	165,629
ORV Park	97,060	79,783	17,277
Public Health & Social Services	4,068,543	3,563,312	505,231
Real Estate Excise Tax Technology	20,000	1,621	18,379
Excise/Revaluation M&O	31,000	31,000	0
Emergency Communication Tax	2,132,028	1,872,904	259,124
Public Safety Sales Tax	1,113,529	518,170	595,359
Chemical Dependency/MH/Therapy Court	2,899,684	1,453,904	1,445,780
Developmental Disabilities	700,000	576,720	123,280
MH/Dev Disability Services Levy	128,000	128,000	0
Homeless Housing	2,422,451	1,768,239	654,212
LTGO Refunding Bonds 2012	783,838	783,638	201
Pavilion Bonds	66,000	65,520	480
LOCAL Program Fin-Energy Retrofit	45,752	45,250	502
LOCAL Program Fin-Jail Security	38,420	37,916	504
LOCAL Program Fin-Real Estate	18,000	17,222	778
Facilities Capital	159,500	90,084	69,416
Software Replacement Reserve	351,700	181,164	170,536
Fair Building Construction	1,266,392	1,129,681	136,711
Reserve for Courtroom Construction	10,000	183	9,817
Cumulative Reserve Construction	312,604	312,358	246
Capital Improvements	400,000	400,000	0
Distressed Area Capital	1,419,579	1,056,519	363,060
Solid Waste Plan	1,537,934	1,376,975	160,959
Hogan's Corner Water System	299,834	235,154	64,680
Tax Title Management	2,073,503	1,531,365	542,138
Pacific Beach Sewer M&O	1,061,670	790,627	271,043
Pacific Beach Sewer SRF Loan Reserve	400,000	0	400,000
Pacific Beach Sewer Bond ULID #7	95,293	95,292	1
Pacific Beach Sewer Bond ULID #8	83,857	83,857	0
Pacific Beach/Moclips Water Sys M&O	589,326	289,218	300,108

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
North Beach Water System	152,873	79,947	72,926
Illahee Oyehtut Sewer System	441,000	72,979	368,021
Illahee Oyehtut Sewer Construction	1,444,514	880,633	563,881
Equipment Rental & Revolving	4,266,728	3,336,047	930,681
Equipment Rental & Revolving Replacement	530,000	0	530,000
Central Services	1,179,504	1,134,773	44,731
Central Services Replacement	25,000	9,553	15,447
Management Services	1,578,465	1,489,850	88,615
Total Miscellaneous Funds	\$60,934,290	\$45,341,143	\$15,593,148
<b>County Totals</b>	<b>\$92,366,403</b>	<b>\$75,297,785</b>	<b>\$17,068,618</b>

[1] The Budget does not reflect the consolidation of managerial funds contained in the Financial Statements.

[2] The Budget does not reflect the intra fund transfer eliminations contained in the Financial Statements.

Budgeted amounts are authorized to be transferred between departments (within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County's legislative body.

The Roads fund had a material budget amendment to their appropriated budget during 2017. They received an RCO grant for the Wishkah Flood Wall project:

Fund	Original Appropriation	Amendments	Final Appropriation
<u>Miscellaneous Funds</u>			
Roads	\$17,539,890	\$4,000,000	\$21,539,890

**D. Cash and Investments** - See Note 2, *Deposits and Investments*

**E. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

**F. Compensated Absences**

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 960 hours. Upon separation or retirement, employees may receive payment for unused sick leave. Maximum allowable accrual for vacation and unused sick leave payment is set by union contract. Payments are recognized as expenditures when paid.

**G. Long-Term Debt** - See Note 5, *Debt Service Requirements*

**H. Risk Management** - See Note 8, *Risk Management*

**I. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by County. When expenditures that meet restrictions are incurred, the County intends to use reserved resources first before using unreserved amounts.

The Board of County Commissioner's has the authority by ordinance or resolution to establish, modify, or rescind an internal fund balance commitment.

Reservations of Ending Cash and Investments consist of:

Fund	Name/Purpose	Specific Purpose	Amount
101	Special Projects	Reserved for grant projects and special projects as designated by the Board of County Commissioners	\$258,408
102	Auditor's M&O	Restricted per RCW 36.22.170 and Resolution 89-64, installation and maintenance of an improved system	\$417,422
103	Fairgrounds & Events	Reserved for fair operations	\$17,106
104	Trial Court Improvement	Restricted per RCW 3.58.060	\$98,658
105	Paths & Trails	Restricted per RCW 47.30	\$49,588
106	Law Library	Restricted per RCW 27.24.010 & 070	\$38,949
107	Affordable Housing	Restricted per RCW 36.22 and Resolution 2002-43, funds to be used for very low income housing projects	\$784,102
108	Sheriff's Law Enforcement	Reserved for law enforcement purposes	\$110,508
109	Crime Victim	Restricted per RCW 7.69	\$30,371
110	Roads	Restricted per RCW 36.82.010	\$5,627,222
111	Treasurer's M&O	Restricted per RCW 84.56.020	\$183,694
112	Stadium/Tourism	Restricted per RCW 67.28 & Ordinance 98-248	\$1,992,601
113	GH Raceway	Reserved for GH Raceway operations	\$783
114	Veteran's Relief	Restricted per RCW 73.08.080	\$128,436
116	Election Reserve	Reserved for expenses associated with conducting regular and special state and county elections, including maintenance and equipment replacement	\$208,819
117	Aberdeen Landfill Postclosure	Reserved for post closure care and monitoring of landfill facilities	\$904,394
118	ORV Park	Reserved for Grays Harbor ORV Park operations	\$24,535

<b>Fund</b>	<b>Name/Purpose</b>	<b>Specific Purpose</b>	<b>Amount</b>
<b>129</b>	Public Health & Social Services	Reserved for the administration of Public Health & Social Services	\$804,108
<b>130</b>	REET Electronic Technology	Reserved for development, implementation and maintenance of electronic process and reporting system for the real estate excise tax affidavits	\$128,450
<b>131</b>	Tax Refund	Reserved for refunding of over levied taxes	\$14,284
<b>132</b>	Excise/Revaluation Maintenance	Restricted per RCW 82.45.180(5)(c) and Resolution 2014-14 for maintenance and operation of annual revaluation system for property tax valuation and for the maintenance and operation of a reporting system for real estate excise tax affidavits	\$55,694
<b>139</b>	Chemical Dep/MH & Therapy Court	Restricted by RCW 82.14.460 & Ordinance 382, reserved for chemical dependency, mental health treatment and services for therapeutic court programs	\$4,009,289
<b>140</b>	Mental Health	Reserved due to restrictions on grant revenue for mental health, substance abuse and developmental disabilities	\$1,195,688
<b>145</b>	Homeless Housing	Reserved for costs related to the homeless housing program and reducing homelessness	\$1,259,268
<b>301</b>	Facilities Capital	Reserved for the acquisition or construction of general capital assets and improvements	\$524,916
<b>302</b>	Software Replacement	Reserved for acquisition of major computer software systems	\$171,327
<b>303</b>	Fair Building Construction	Reserved for acquisition or construction of buildings and improvements at the fairgrounds	\$465
<b>305</b>	Reserve for Courtroom Construction	Reserved for construction of courtrooms for Superior and District Courts	\$299,817
<b>307</b>	Cumulative Reserve for Construction	Restricted per RCW 36.33.020	\$711,858
<b>309</b>	Capital Improvements	Restricted per RCW 35.43.040	\$438,756
<b>310</b>	Distressed Area Capital	Restricted per RCW 82.14.370	\$1,504,824
<b>401</b>	Solid Waste Plan	Reserved for solid waste management services and constructing and purchasing facilities, equipment and properties for solid waste activities	\$413,349
<b>402</b>	Hogan's Corner Water System	Reserved for maintenance, upgrades and support activities of the water system	\$317,676
<b>403</b>	Tax Title Management	Reserved to administer and manage County timber land and tax title property	\$4,016,733
<b>404</b>	Pacific Beach Sewer System	Reserved for maintenance, upgrades and support activities of the sewer system	\$1,806,043
<b>405</b>	Pacific Beach/Moclips Water System	Reserved for maintenance, upgrades and support activities of the water system	\$1,002,002

Fund	Name/Purpose	Specific Purpose	Amount
406	North Beach Water System	Reserved for maintenance, upgrades and support activities of the water system	\$86,729
407	Illahee Oyeht Sewer/Construction	Reserved for construction and operation of the sewer system	\$867,970
501	Equipment Rental & Revolving	Restricted per RCW 36.33A.010-060	\$2,089,972
503	Central Services	Reserved for software development, purchases and support, computer purchases and replacement, and GIS related functions	\$503,977
504	Management Services	Reserved for insurance and risk management, human resources, budget, payroll services, grants and records management	\$451,428
		<b>Reserved Ending Cash &amp; Investments</b>	<b>\$33,550,219</b>

## **Note 2 – Deposits and Investments**

It is the County's policy to invest all temporary cash surpluses. \*These funds are invested in accordance with RCW 36.29.020.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All investments are insured, registered, and held by the County or its agent in the government's name.

Investments are reported at original value. Investments by type as of December 31, 2017 are as follows:

Type of Investments	GH County Owned Investments	Investments Held by GH County as Agent	*GH County Residual Cash	Total
<b>LGIP</b>	\$7,449,510	\$30,484,330	\$15,882,243	\$53,816,083
<b>US Gov't Securities</b>			6,967,673	\$6,967,673
<b>**Money Market</b>	4,500,000	5,908,399	11,850,000	\$22,258,399
<b>Totals</b>	<b>\$11,949,510</b>	<b>\$36,392,729</b>	<b>\$34,699,917</b>	<b>\$83,042,155</b>

\*General Fund, Miscellaneous Fund's and Fiduciary Fund's uninvested cash balances (residual cash) swept into investments on behalf of the County.

## **Compensating Balances**

Grays Harbor County maintains compensating balances in lieu of payment for banking services. The County established a money market account at Bank of the Pacific for this purpose. At Key Bank, checking account balances provide for daily cash liquidity and act as a compensating balance. The average combined balance needed to support services in 2017 was \$11,296,985.

## **Note 3 – Property Tax**

The County Treasurer acts as an agent to collect property tax levied in the County for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by the County. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The County's regular levy for 2017 was \$1.7887499 per \$1,000 on an assessed valuation of \$5,894,644,876 for a total regular levy of \$10,544,045. There was also a levy for Veteran's Relief of \$0.0112500 per \$1,000 totaling \$66,315.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County's road levy for 2017 was \$2.2500000 per \$1,000 on an assessed valuation of \$2,580,597,033 for a total road levy of \$5,806,343.

#### **Note 4 – Interfund Loans**

The following table displays interfund loan activity during 2017:

Borrowing Fund	Lending Fund	1/01/17 Balance	New Loans	Payments	12/31/17 Balance
<b>Software Replacement Reserve</b>	Landfill Postclosure	\$66,013	\$53,602	\$70,000	\$49,615
<b>Fair Building Construction</b>	Landfill Postclosure	300,000	-	100,000	\$200,000
<b>Fairgrounds &amp; Events</b>	General Fund	-	100,000	100,000	\$0
	<b>Total Interfund Loans</b>	<b>\$366,013</b>	<b>\$153,602</b>	<b>\$270,000</b>	<b>\$249,615</b>

#### **Note 5 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County's debt transactions for year ended December 31, 2017.

The debt service requirements for general obligation bonds, revenue bonds, and intergovernmental loans are as follows:

Year	Principal	Interest	Total
<b>2018</b>	\$1,478,993	\$213,545	\$1,692,538
<b>2019</b>	1,373,349	196,151	1,569,500
<b>2020</b>	1,322,145	159,010	1,481,155
<b>2021</b>	1,229,864	125,638	1,355,502
<b>2022</b>	1,254,905	96,035	1,350,940
<b>2023-2027</b>	2,111,661	261,281	2,372,942
<b>2028-2032</b>	1,193,213	159,910	1,353,123

Year	Principal	Interest	Total
<b>2033-2037</b>	475,971	94,927	570,898
<b>2038-2042</b>	279,523	48,077	327,600
<b>2043-2046</b>	248,398	13,447	261,845
<b>Total Debt Service</b>	<b>\$10,968,022</b>	<b>\$1,368,021</b>	<b>\$12,336,043</b>

## **Note 6 – Pension Plans**

### **A. State Sponsored Pension Plans**

Substantially all County full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS), Public Safety Employees' Retirements System (PSERS), and Law Enforcement Officers' Retirement System (LEOFF).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2017 (the measurement date of the plans), the County's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
<b>PERS 1</b>	\$877,132	0.145818%	\$6,919,178
<b>PERS 2/3</b>	\$936,055	0.153253%	\$5,324,809
<b>PSERS 2</b>	\$148,446	0.636226%	\$124,656
<b>LEOFF 1</b>		0.029684%	(\$450,372)
<b>LEOFF 2</b>	\$163,578	0.103548%	(\$1,436,911)

### LEOFF Plan 1

The County also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

### LEOFF Plan 2

The County also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

### **Note 7 – Other Post Employment Benefits**

The County has a commitment to pay benefits for active and retired employees that are members of the LEOFF1 retirement system. These benefits include medical, vision, nursing care, etc. Fourteen retirees received benefits during the year totaling \$151,391. The cost of health care benefits is recognized in the General Fund when the claim is paid.

### **Note 8 – Risk Management**

Grays Harbor County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire, or contract, for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased, and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2017, Grays Harbor County selects a per-occurrence deductible of \$25,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those

losses. The reinsurance agreements are written with self-insured retentions (“SIRs”) equal to the greater of the deductible for the member with the claim or \$100,000. More recent years’ reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 2016-17, the “corridor” increased the SIR to \$2 million, with an aggregated stop loss of \$4.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer), and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year’s assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews 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.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

During 2016-17, Grays Harbor County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)’ coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Grays Harbor County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool being held in summer. The Board approves the extent of risk-sharing, approves the Pool’s self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool’s annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews 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, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon.

During 2016-17, the WCRP's assets remained stable at \$46.8 million while its liabilities decreased slightly to \$28.6 million. The Pool's net position increased slightly from \$17.9 million to \$18.1 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2017 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

#### **Note 9 – Joint Venture**

The County and cities of Aberdeen and Hoquiam jointly operate an Interagency Drug Task Force. The County reports the Task Force as an agency fund. The purpose of the Task Force is to enhance the investigation and enforcement of laws against illegal drugs.

The Task Force is governed by an administrative board composed of the County Sheriff and the Aberdeen and Hoquiam Police Chiefs. The Board is responsible for establishing the budget, authorizing the acquisition of equipment, setting operating policies, and resolving disputes.

Activity for the year ended December 31, 2017 is as follows:

	<b>Total</b>	<b>County</b>
<b>Revenue</b>	\$220,338	\$175,096
<b>Expenditures</b>	\$722,075	\$374,995

#### **Note 10 – Landfill Post-Closure Agreement**

In September of 1990 Grays Harbor County entered into an agreement with Lemay Enterprises, Inc. (the Company), concerning the closure and post-closure care of the landfill operation known as the Aberdeen Sanitary Landfill, (the Landfill). This agreement was entered into to ensure that federal and state requirements concerning financial assurances for the closure and post-closure costs would be fulfilled.

Under the agreement, the Company increased tipping fees to provide funds for closure and post-closure activities. The Company is responsible for all costs associated with the closure of the facility.

The Company shall conduct all post-closure care of the Landfill in accordance with the approved post-closure plan and all applicable local, state, and federal laws and regulations. Post-closure costs shall be approved by the County and paid out of the post-closure fund administered by the

County. In the event there are insufficient funds for the post-closure care of the Landfill, the County's Solid Waste Fund shall pay any and all shortfalls.

The minimum post-closure period is 20 years; however, post-closure activities will be required for as long as the Landfill is producing contaminated leachate or landfill gas. The County used a 30-year factor when establishing the increase of current tipping fees to fund the post-closure activities. Future post-closure costs are estimated by the County to be approximately \$150,000 per year as the result of the installation of a leachate pipeline in 2013. This amount is subject to change due to inflation, technology, and or regulation. Accumulated funds from the increase in tipping fees, which ceased when the Landfill closed during 1994, are anticipated to fully pay for the post-closure costs throughout the 30 year period.

In 2014 the County entered into a 20 year contract extension with Waste Connections, Inc. (dba LeMay Enterprises, Inc.) for the operation of the central transfer station and disposal of the waste. As per section 13 of the contract; the landfill agreement remains in full force and effect and the County shall continue to maintain the post closure account.

#### **Note 11 - Intergovernmental Agreement**

##### **Chehalis Basin Partnership**

The County and counties of Lewis, Mason, and Thurston have agreed to participate in the Chehalis Basin Partnership (CBP) through an Intergovernmental Agreement. The four counties support the collaboration among the Chehalis Basin Watershed communities to implement a comprehensive strategy for balancing competing demands for water, while at the same time preserving and enhancing the future integrity of the Chehalis Basin Watershed.

The County and Confederated Tribes of the Chehalis Reservation entered into a memorandum of agreement for the purposes of:

- Securing a Watershed Coordinator to assist the CBP in the implementation of the Chehalis Basin Watershed Management Plan and the Detailed Implementation Plan; and
- Securing a Lead Entity Coordinator to assist the Grays Harbor/Chehalis Basin Lead Entity for Salmon Recovery in the coordination and implementation of the WRIA 22-23 Chehalis Basin Salmon Habitat Restoration and Preservation Work Plan.

Funding for the Watershed Coordinator will come from donations or other grant sources and funding for the Lead Entity Coordinator will come from the Washington State Recreation and Conservation Office (RCO).

The County shall reimburse the Confederated Tribes for expenses of the Watershed Coordinator/Lead Entity Coordinator in an amount up to \$84,000.

Revenues and expenditures for 2017 are as follows:

	Revenue	Expenditures
<b>CBP Watershed Coordinator</b>	\$30,000	\$21,982
<b>RCO Lead Entity Grant</b>	69,764	69,224
<b>Grand Total</b>	<b>\$99,764</b>	<b>\$91,206</b>

## **Note 12 – Fiduciary Activities**

Washington State law requires counties to act as a fiscal agent on behalf of special purpose districts. The resources collected and held for these districts in a custodial capacity were previously omitted from the financial statements. Starting in fiscal year 2017, counties are required to report the custodial amounts on their financial statements. This requirement resulted in addition of \$265,732,829 in custodial deposits reported in the statement of *Fiduciary Fund Resources and Uses Arising from Cash Transactions* for the year ended December 31, 2017. In addition, these amounts are now required to be presented by fund type rather than by individual fund.

## **Note 13 – Other Disclosures**

### **Miscellaneous Claims**

The County is occasionally the defendant in various claims including miscellaneous emotional distress, false arrests, and public records requests. As of January 1, 2018 there are 7 outstanding or possible claims of this type which the County is defending and expects to prevail or have dismissed for lack of merit.

**Grays Harbor County  
Schedule of Liabilities  
For the Year Ended December 31, 2017**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	Limited Tax GO Bonds 2012	12/1/2023	4,345,000	-	675,000	3,670,000
251.11	Limited Tax GO Bonds 2016 - FG	12/1/2046	566,662	833,339	32,462	1,367,538
263.81	CERB Loan C2001-141	7/22/2022	224,811	-	36,543	188,268
263.81	CERB Loan C1999-122PW	7/23/2023	277,064	-	37,268	239,796
263.96	Local Program 0121-2-1	6/1/2020	137,640	-	31,993	105,647
263.96	Local Program 0121-3-1	6/1/2023	267,465	-	32,863	234,602
263.96	Local Program 0121-4-1	6/1/2026	165,000	-	10,000	155,000
263.83	DSHS Working Advance	6/30/2018	-	115,234	-	115,234
<b>Total General Obligation Debt/Liabilities:</b>			<b>5,983,642</b>	<b>948,573</b>	<b>856,129</b>	<b>6,076,086</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
252.11	Water & Sewer Revenue Bonds 1999	6/22/2019	261,873	-	83,508	178,365
252.11	Sewer Revenue Bonds 2000	5/5/2020	300,770	-	70,322	230,447
263.82	DWSRF 2009	10/1/2028	1,655,937	-	137,995	1,517,942
263.82	SRF Loan 2016	1/1/2039	547,185	276,020	-	823,205
263.84	SRF Forgivable Loan 2016	12/31/2017	-	847,305	847,305	-
263.88	PWTF Loan 1997	7/1/2017	64,473	-	64,474	(0)
263.88	PWTF Loan 2012	6/1/2031	2,294,966	-	152,998	2,141,969
259.12	Compensated Absences Liability-Govtl		1,297,105	63,295	-	1,360,400
259.12	Compensated Absences Liability-Prop		239,039	24,138	-	263,177
264.30	Pension Liabilities		16,478,663	-	4,110,020	12,368,643
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>23,140,012</b>	<b>1,210,758</b>	<b>5,466,621</b>	<b>18,884,148</b>
<b>Total Liabilities:</b>			<b>29,123,653</b>	<b>2,159,330</b>	<b>6,322,750</b>	<b>24,960,234</b>

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Passed through to Subrecipients	
Rural Housing Service, Department Of Agriculture	Rural Community Development Initiative	10.446	56-014- 916001320	-	99,906	-	1
Food And Nutrition Service, Department Of Agriculture (via St of WA DOH)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17110	313,345	-	-	1,3a
Food And Nutrition Service, Department Of Agriculture (via St of WA DOH)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C17110	328	-	-	1
<b>Forest Service Schools and Roads Cluster</b>							
Forest Service, Department Of Agriculture	Schools and Roads - Grants to States	10.665	Title III-County Projects	-	16,650	-	1
Forest Service, Department Of Agriculture	Schools and Roads - Grants to States	10.665	Title I	-	17,480	-	1
<b>Total Forest Service Schools and Roads Cluster:</b>				-	<b>34,130</b>	-	
<b>Community Facilities Loans and Grants Cluster</b>							
Rural Housing Service, Department Of Agriculture	Community Facilities Loans and Grants	10.766	Pavilion Roof/HVAC	-	833,338	-	1,4c
<b>Total Community Facilities Loans and Grants Cluster:</b>				-	<b>833,338</b>	-	
Office Of Community Planning And Development, Department Of Housing And Urban Development	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	17-62210-006	-	44,605	44,247	1
Office Of Community Planning And Development, Department Of Housing And Urban Development	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-62210-006	-	106,948	106,010	1

*The accompanying notes are an integral part of this schedule.*

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
			<b>Total CFDA 14.228:</b>	-	<b>151,553</b>	<b>151,553</b>	150,257	
Bureau Of Justice Assistance, Department Of Justice (via WA St Dept of Commerce/City of Aberdeen)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F16-31440-001	12,383	-	12,383	-	1
Bureau Of Justice Assistance, Department Of Justice (via WA St Dept Commerce/City of Aberdeen)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F16-31440-001	16,011	-	16,011	-	1
			<b>Total CFDA 16.738:</b>	<b>28,394</b>	<b>-</b>	<b>28,394</b>	<b>-</b>	
<b>Highway Planning and Construction Cluster</b>								
Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	BROS-2014 (099) LA-8565	672,481	-	672,481	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	BROS-2014 (099) LA-9065	393,457	-	393,457	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	BRS-Z141(005) LA-8562	45,451	-	45,451	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	ER-1502(007) LA-8575	13,376	-	13,376	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	BRS-2014(100) LA-8566	50,680	-	50,680	-	1

*The accompanying notes are an integral part of this schedule.*

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

		Expenditures					Passed through to Subrecipients	Note
		Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total
		Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	BROS-2014 (077) LA-7936	7,619	-	7,619
		Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (384) LA-8567	100,383	-	100,383
		Federal Highway Administration (fhwa), Department Of Transportation (via WA St Dept of Transportation)	Highway Planning and Construction	20.205	BROS-2014 (078) LA-7937	41,011	-	41,011
		<b>Total Highway Planning and Construction Cluster:</b>					-	<b>1,324,458</b>
		<b>Highway Safety Cluster</b>						
		National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	16ST-07	25,919	-	25,919
		National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	17ST-02	14,063	-	14,063
		National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	PT17-04	210	-	210
		National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.600	na	3,500	-	3,500

*The accompanying notes are an integral part of this schedule.*

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	FFY2017 HVE	22,859	-	22,859	-	1
<b>Total Highway Safety Cluster:</b>				<b>66,551</b>	<b>-</b>	<b>66,551</b>	<b>-</b>	
Pipeline And Hazardous Materials Safety Administration, Department Of Transportation (via WA St Military Dept)	Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	E16-205	1,046	-	1,046	-	1
<b>Clean Water State Revolving Fund Cluster</b>								
Office Of Water, Environmental Protection Agency (via WA St Dept of Ecology)	Capitalization Grants for Clean Water State Revolving Funds	66.458	WQC-2015GHCoPS-0058	259,214	-	259,214	-	1, 4a
Office Of Water, Environmental Protection Agency (via WA St Dept of Ecology)	Capitalization Grants for Clean Water State Revolving Funds	66.458	WQC-2015GHCoPS-0058	252,540	-	252,540	-	1, 4b
<b>Total Clean Water State Revolving Fund Cluster:</b>				<b>511,754</b>	<b>-</b>	<b>511,754</b>	<b>-</b>	
Office Of Water, Environmental Protection Agency (via St of WA DOH)	Beach Monitoring and Notification Program Implementation Grants	66.472	C17110	9,000	-	9,000	-	1
Centers For Disease Control And Prevention, Department Of Health And Human Services (via St of WA DOH)	Public Health Emergency Preparedness	93.069	C17110	58,187	-	58,187	-	1,3b
Office Of Population Affairs, Department Of Health And Human Services (via St of WA DOH)	Family Planning Services	93.217	C17110	40,312	-	40,312	-	1

*The accompanying notes are an integral part of this schedule.*

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Expenditures					Passed through to Subrecipients	Note
	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via St of WA DOH)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	C17110	198,748	-	198,748	1,3c
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1563-42477	-	21,745	21,745	1,3e
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1763-94251	-	18,407	18,407	1,3g
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UWSC9647	-	55,591	55,591	1,3h
<b>Total CFDA 93.243:</b>					<b>95,743</b>	<b>294,491</b>	-
<b>Maternal, Infant, and Early Childhood Home Visiting Cluster</b>							
Health Resources And Services Administration, Department Of Health And Human Services	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	414/470	-	213,884	213,884	1
Health Resources And Services Administration, Department Of Health And Human Services (via WA St Dept Early Learning)	Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	18-1067	135,235	-	135,235	1,3f
<b>Total Maternal, Infant, and Early Childhood Home Visiting Cluster:</b>					<b>213,884</b>	<b>349,119</b>	-

The accompanying notes are an integral part of this schedule.

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Administration For Children And Families, Department Of Health And Human Services (via WA St Dept of Social & Health Services)	Child Support Enforcement	93.563	2110-81159	46,703	-	46,703	-	1
Administration For Children And Families, Department Of Health And Human Services (via WA St Dept of Social & Health Services)	Child Support Enforcement	93.563	2110-81159	256,327	-	256,327	-	1,3i
<b>Total CFDA 93.563:</b>				<b>303,030</b>	<b>-</b>	<b>303,030</b>	<b>-</b>	
<b>Medicaid Cluster</b>								
Centers For Medicare And Medicaid Services, Department Of Health And Human Services	Medical Assistance Program	93.778	K760	-	12,310	12,310	-	1
<b>Total Medicaid Cluster:</b>				<b>-</b>	<b>12,310</b>	<b>12,310</b>	<b>-</b>	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94251	-	15,014	15,014	-	1
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via WA St DSHS)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1563-42477	25,738	-	25,738	-	1
<b>Total CFDA 93.959:</b>				<b>25,738</b>	<b>15,014</b>	<b>40,752</b>	<b>-</b>	
Health Resources And Services Administration, Department Of Health And Human Services (via St of WA DOH)	Maternal and Child Health Services Block Grant to the States	93.994	C17110	71,025	-	71,025	-	1,3d

*The accompanying notes are an integral part of this schedule.*

**Grays Harbor County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
United States Coast Guard (uscg), Department Of Homeland Security (via WA St Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	Fed 3317FAS17015 3	20,465	-	20,465	-	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via WA St Military Dept)	Emergency Management Performance Grants	97.042	E17-150	41,919	-	41,919	-	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via WA St Military Dept)	Homeland Security Grant Program	97.067	E17-050	13,473	-	13,473	13,473	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via WA St Military Dept)	Homeland Security Grant Program	97.067	E17-065	23,466	-	23,466	23,466	1
Federal Emergency Management Agency (fema), Department Of Homeland Security (via WA St Military Dept)	Homeland Security Grant Program	97.067	E16-060	1,050	-	1,050	-	1
<b>Total CFDA 97.067:</b>				<b>37,989</b>	<b>-</b>	<b>37,989</b>	<b>36,939</b>	
<b>Total Federal Awards Expended:</b>				<b>3,187,523</b>	<b>1,455,878</b>	<b>4,643,402</b>	<b>187,196</b>	

The accompanying notes are an integral part of this schedule.

**GRAYS HARBOR COUNTY, WASHINGTON**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the County's financial statements. The County uses the cash basis of accounting.

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the County's portion, may be more than shown. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The County has elected to use the 10% de minimis indirect cost rate under the Uniform Guidance. The amount expended includes the following amounts claimed as indirect costs:

- (a) \$25,573
- (b) \$5,290
- (c) \$17,234
- (d) \$6,457
- (e) \$1,483
- (f) \$12,294
- (g) \$1,360
- (h) \$5,054
- (i) \$22,738

Note 4 – Federal Loans

- (a) The County was approved to receive funding from the Clean Water State Revolving Fund in the form of a SRF Forgivable Principal Loan in the amount of \$847,305 for construction of the Illahee Oyehut Sewer Collection System. The amount shown for this loan represents the proceeds used during the year. This grant/loan is reported on the County's Schedule of Liabilities.
- (b) The County was approved to receive a SRF Standard Loan in the amount of \$799,725 from the Clean Water State Revolving Fund for construction of the Illahee Oyehut Sewer Collection System. The amount shown for this loan represents the proceeds used during the year. This loan is reported on the County's Schedule of Liabilities, which includes accrued interest of \$23,480, for an outstanding balance of \$823,205.
- (c) The County was approved by USDA Rural Development to receive a loan totaling \$1,400,000 for replacing the roof on the pavilion at the County Fairgrounds. The County issued General Obligation Bonds to secure this loan. The amount listed for this obligation indicates the proceeds used during the year. This obligation is reported on the County's Schedule of Liabilities, the outstanding balance is \$1,367,538.

## 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	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>