



Office of the Washington State Auditor
Pat McCarthy

**Financial Statements and Federal Single Audit
Report**
Jefferson County

For the period January 1, 2016 through December 31, 2016

Published September 28, 2017

Report No. 1019864





Office of the Washington State Auditor
Pat McCarthy

September 28, 2017

Board of Commissioners
Jefferson County
Port Townsend, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Jefferson 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,

Pat McCarthy
State Auditor
Olympia, WA

TABLE OF CONTENTS

Schedule Of Findings And Questioned Costs.....	4
Schedule Of Audit Findings And Responses.....	6
Summary Schedule Of Prior Audit Findings	9
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	11
Independent Auditor’s Report On Compliance For Each Major Federal Program And Report On Internal Control Over Compliance In Accordance With The Uniform Guidance.....	14
Independent Auditor’s Report On Financial Statements	17
Financial Section.....	20
Corrective Action Plan For Findings Reported Under Uniform Guidance	61
About The State Auditor’s Office.....	62

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Jefferson County January 1, 2016 through December 31, 2016

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Jefferson 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 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>
10.665	Schools and Roads - Grants to States
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

See finding 2016-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Jefferson County January 1, 2016 through December 31, 2016

2016-001 The County did not have adequate controls in place to ensure accurate reporting of fiduciary funds.

Background

The County's governing body and management are responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting.

Description of Condition

We identified the following deficiencies in internal controls over accounting and financial reporting that, when taken together, represent a material weakness:

- The County did not have a system in place to ensure the balances and activity of all fiduciary funds were identified and reported on the financial statements.
- Staff responsible for financial statement preparation lacked the technical knowledge to distinguish between revolving fund activity, which should be reported net, and fiduciary fund activity, for which all receipts and disbursements should be reported.

Cause of Condition

Staff responsible for financial statement preparation were unaware that all cash balances and activity on behalf of outside parties were required to be reported on the financial statements, except the activity for claims clearing accounts and special purpose districts. In addition they misapplied guidance received regarding reporting of revolving fund activity.

Effect of Condition

We found the following misstatements on the Fiduciary Fund Resources and Uses Arising from Cash Transactions statement:

- Fiduciary fund beginning cash was under-reported by \$405,887. We determined \$190,415 was reported on the County's Fund Resources and Uses Arising from Cash Transactions (Statement C-4) in error, and the remaining \$215,472 was not reported.

- Fiduciary fund revenues, other increases and financing sources were under-reported by \$19,496,003.
- Fiduciary fund expenditures, other decreases and financing uses were under-reported by \$19,623,501.
- Fiduciary fund ending cash was under-reported \$514,430. We determined \$247,520 was reported on the County's Statement C-4 in error, and the remaining \$266,910 was not reported.

The County subsequently corrected the majority of the identified misstatements. The uncorrected portion of the misstatements was not material.

Recommendation

We recommend the County:

- Establish controls to ensure all fiduciary activity is identified and accurately reported on the financial statements
- Ensure staff responsible for financial statement preparation receive adequate training to ensure accurate reporting of fiduciary funds

County's Response

Jefferson County and staff thank the State Auditor's Office for their time in conducting a thorough audit and recognizing that we as a team have improved and implemented controls based on previous audit recommendations.

It is disappointing that the improvements led to another aspect of the financial statements that had never been identified in prior years. The State Auditor's Office (SAO) has decided to issue a finding based on all fiduciary activity not reported on financial statements. Our understanding is that similar reporting at counties throughout the state have also resulting in findings for the same issue. The County hopes that the SAO will provide training in this particular area of fiduciary activity and how it should be accurately reported.

The County continues to be dedicated to making it a priority to be sure internal controls are in place and practiced, necessary policies and procedures are implemented, and to work together as a team to ensure that financial statements are reported accurately and in a manner acceptable to the State Auditor.

Auditor's Remarks

We thank the County for its assistance throughout the audit and the steps it is taking to address these issues. Our Office is committed to providing additional guidance

and resources to support accurate financial reporting. The County's corrective action will be reviewed during our next audit.

Applicable Laws and Regulations

Government Auditing Standards, December 2011 Revision, paragraph 4.23 establishes reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud or abuse, and noncompliance with provisions of law, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200 – Local government accounting – Uniform system of accounting, gives the state auditor the authority to formulate, prescribe and install a uniform system of accounting and reporting for all local governments.

The *Budgeting, Accounting and Reporting System (BARS) Manual*, 4.3.13, Fiduciary Fund Resources and Uses Arising from Cash Transactions (C-5), requires the Statement C-5 to be prepared for all trust and agency funds, with the exception of payroll and claims clearing funds and special purpose districts.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Jefferson County January 1, 2016 through December 31, 2016

This schedule presents the status of federal findings reported in prior audit periods. The status listed below is the representation of Jefferson County. The State Auditor's Office has reviewed the status as presented by the County.

Audit Period: 1/1/2015 – 12/31/2015	Report Ref. No: 1017530	Finding Ref. No: 2015-001
Finding Caption: The County did not have adequate controls in place to ensure accurate financial reporting.		
Background: <p>It is the responsibility of the County management to design and follow internal controls that provide reasonable assurance regarding the reliability of financial reporting.</p> <p>We identified the following deficiencies in internal controls over accounting and financial reporting that, when taken together, represent a significant deficiency:</p> <ul style="list-style-type: none"> • The Treasurer's and Auditor's general ledgers did not include all bank accounts and financial activity of the County. • No global reconciliation was performed between total ending cash and investments on the Treasurer's general ledger and total ending cash and investments on the bank statements. • No global reconciliation was performed between revenues and expenditures on the general ledger and financial activity on the bank statements. Adequate compensating controls were not in place to ensure that reported revenues and expenditures reflected all financial activity of the County. <p>Staff responsible for financial statement preparation lacked the technical knowledge and experience necessary to ensure the financial statements and notes were prepared accurately and in accordance with the <i>Budgeting, Accounting and Reporting System (BARS) Manual</i>.</p>		
Status of Corrective Action: (check one) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Fully Corrected </div> <div> <input checked="" type="checkbox"/> Partially Corrected </div> <div> <input type="checkbox"/> Not Corrected </div> <div> <input type="checkbox"/> Finding is considered no longer valid </div> </div>		
Corrective Action Taken: <ul style="list-style-type: none"> • <i>The Treasurer's and Auditor's offices have reported all bank accounts within the County, including some accounts that are not part of the general ledger. However, not</i> 		

all fiduciary activity was fully accounted for in the financial statements, as some transactions were netted instead of completely reported. This will be resolved on future financial statements.

- A global reconciliation has been performed between ending cash and investments, Treasurer's general ledger and total ending cash and investments on the bank statements. Supporting documentation has been compiled to show the steps to reconcile. There is still more work to do due to reconciling two financial systems to bank statements. We will continue to work towards a implementing a global reconciliation on a monthly or quarterly basis.*
- We have performed a global reconciliation of the bank statements to revenue and expenditures for 2016. Although there is more to do, compensating controls have been added by the Treasurer's office, based on recommendation from the SAO, to track financial transactions within their financial software even though they are not recorded as transactions on the bank statement. Both the Auditor and Treasurer departments are committed to track every financial transaction through the two financial software programs. Our ultimate goal would be to have one financial software program resulting in stronger internal controls of reported financial statements.*
- On July 1, 2016, a Chief Accountant was hired in the Auditor's office with an accounting degree and years of accounting experience. She can ensure that the financial statements and notes are prepared accurately and in accordance with the BARS Manual. She has been working cooperatively with departments within the county along with the Treasurer's office to fully reconcile and report accurate financial statements.*
- In addition, internal controls at the department level are currently being reviewed by the Auditor's office, i.e. adequately maintaining separation of duties and other financial activities.*

**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**

**Jefferson County
January 1, 2016 through December 31, 2016**

Board of Commissioners
Jefferson County
Port Townsend, 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 Jefferson County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 20, 2017.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Audit Findings and Responses as Finding 2016-001 to be a material weakness.

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*.

COUNTY'S RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, flowing style.

Pat McCarthy
State Auditor
Olympia, WA

September 20, 2017

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

**Jefferson County
January 1, 2016 through December 31, 2016**

Board of Commissioners
Jefferson County
Port Townsend, Washington

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

We have audited the compliance of Jefferson County, Jefferson County, Washington, 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, 2016. 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, 2016.

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

Pat McCarthy

State Auditor

Olympia, WA

September 20, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Jefferson County January 1, 2016 through December 31, 2016

Board of Commissioners
Jefferson County
Port Townsend, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Jefferson County, Washington, for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 20.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Jefferson 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 Jefferson County, for the year ended December 31, 2016, 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 Jefferson County, as of December 31, 2016, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2017 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.



Pat McCarthy

State Auditor

Olympia, WA

September 20, 2017

FINANCIAL SECTION

Jefferson County January 1, 2016 through December 31, 2016

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2016
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2016
Notes to Financial Statements – 2016

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2016
Schedule of Expenditures of Federal Awards – 2016
Notes to the Schedule of Expenditures of Federal Awards – 2016

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		Total for All Funds (Memo Only)	001 GENERAL FUND	105 AUDITOR'S O&M	106 COURTHOUSE FACILITATOR
Beginning Cash and Investments					
30810	Reserved	756,292	-	-	-
30880	Unreserved	23,819,566	3,593,450	105,093	16,658
388 / 588	Prior Period Adjustments, Net	190,415	168,199	-	-
Revenues					
310	Taxes	19,560,575	12,549,921	-	-
320	Licenses and Permits	908,512	51,312	-	-
330	Intergovernmental Revenues	9,712,662	3,062,409	48,061	-
340	Charges for Goods and Services	12,269,063	1,445,154	25,957	6,220
350	Fines and Penalties	464,850	449,548	-	-
360	Miscellaneous Revenues	2,104,917	1,231,954	324	-
Total Revenues:		45,020,580	18,790,298	74,342	6,220
Expenditures					
510	General Government	11,063,216	8,437,124	120,929	8,866
520	Public Safety	7,418,504	7,055,683	-	-
530	Utilities	2,812,002	9,605	-	-
540	Transportation	8,754,198	-	-	-
550	Natural and Economic Environment	3,149,417	157,068	-	-
560	Social Services	4,361,475	47,153	-	-
570	Culture and Recreation	1,343,380	149,394	-	-
Total Expenditures:		38,902,193	15,856,027	120,929	8,866
Excess (Deficiency) Revenues over Expenditures:		6,118,386	2,934,271	(46,587)	(2,646)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	4,097,157	-	-	-
397	Transfers-In	4,181,332	151,462	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	129,210	55,634	-	-
381, 395, 398	Other Resources	1,225,033	336,350	-	-
Total Other Increases in Fund Resources:		9,632,733	543,446	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,099,880	30,545	10,223	-
591-593, 599	Debt Service	5,195,925	-	-	-
597	Transfers-Out	4,180,925	2,669,486	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	600	-	-	-
581	Other Uses	650,000	-	-	-
Total Other Decreases in Fund Resources:		13,127,331	2,700,031	10,223	-
Increase (Decrease) in Cash and Investments:		2,623,788	777,686	(56,810)	(2,646)
Ending Cash and Investments					
5081000	Reserved	808,687	-	-	-
5088000	Unreserved	26,581,376	4,539,336	48,283	14,012
Total Ending Cash and Investments		27,390,063	4,539,336	48,283	14,012

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		107 BOATING SAFETY PROGRAM	108 COOPERATIVE EXTENSION	113 4-H AFTER SCHOOL	119 JEFFCOM BOND INDEBTDNSS
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	21,440	7,594	57,366	24,127
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	275,589
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	42,419	109,441	-	-
340	Charges for Goods and Services	4,074	87,205	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	145,709	-	-
Total Revenues:		46,493	342,355	-	275,589
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	48,917	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	199,210	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	300,634	38,086	-
Total Expenditures:		48,917	499,844	38,086	-
Excess (Deficiency) Revenues over Expenditures:		(2,424)	(157,489)	(38,086)	275,589
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	15,000	186,250	10,600	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	173
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		15,000	186,250	10,600	173
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	269,057
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	269,057
Increase (Decrease) in Cash and Investments:		12,576	28,761	(27,486)	6,705
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	34,016	36,355	29,880	30,832
Total Ending Cash and Investments		34,016	36,355	29,880	30,832

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		120 CRIME VICTIMS SERVICES	123 GRANTS MANAGEMENT	125 HOTEL/MOTEL	126 H&HS SITE ABATEMENT
Beginning Cash and Investments					
30810	Reserved	-	-	550,375	-
30880	Unreserved	72,922	34,657	-	57,928
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	447,198	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	60,888	100,378	-	-
340	Charges for Goods and Services	17,724	-	-	-
350	Fines and Penalties	3	-	-	-
360	Miscellaneous Revenues	-	-	1,901	-
Total Revenues:		78,615	100,378	449,099	-
Expenditures					
510	General Government	78,578	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	100,378	434,067	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		78,578	100,378	434,067	-
Excess (Deficiency) Revenues over Expenditures:		37	-	15,032	-
Other Increases in Fund Resources					
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:		-	-	-	-
Other Decreases in Fund Resources					
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:		-	-	-	-
Increase (Decrease) in Cash and Investments:		37	-	15,032	-
Ending Cash and Investments					
5081000	Reserved	-	-	565,407	-
5088000	Unreserved	72,959	34,657	-	57,928
Total Ending Cash and Investments		72,959	34,657	565,407	57,928

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		127 PUBLIC HEALTH	128 WATER QUALITY	130 MENTAL HEALTH	131 CHEMICAL DEPENDENCY
Beginning Cash and Investments					
30810	Reserved	28,548	-	-	-
30880	Unreserved	525,487	357,425	12,595	93,579
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	45,123	-	45,123	500,457
320	Licenses and Permits	265,179	-	-	-
330	Intergovernmental Revenues	1,486,247	534,738	-	-
340	Charges for Goods and Services	1,459,935	41,411	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,324	401,671	21	-
Total Revenues:		3,258,808	977,820	45,144	500,457
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	906,723	-	-
560	Social Services	3,793,228	-	44,250	303,223
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,793,228	906,723	44,250	303,223
Excess (Deficiency) Revenues over Expenditures:		(534,420)	71,097	894	197,234
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	815,472	21,341	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	1,710	-	1,710	-
Total Other Increases in Fund Resources:		817,182	21,341	1,710	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	46,538
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	46,538
Increase (Decrease) in Cash and Investments:		282,762	92,438	2,604	150,696
Ending Cash and Investments					
5081000	Reserved	28,548	-	-	-
5088000	Unreserved	808,249	449,863	15,199	244,275
Total Ending Cash and Investments		836,797	449,863	15,199	244,275

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		135 JEFFERSON CO DRUG FUND	136 SHERIFF DRUG INVESTIGATION	140 LAW LIBRARY	141 TRIAL COURT IMPROVEMENT
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	68,160	6,666	18,040	73,766
388 / 588	Prior Period Adjustments, Net	9,076	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	22,669
340	Charges for Goods and Services	-	-	9,692	-
350	Fines and Penalties	15,299	-	-	-
360	Miscellaneous Revenues	280	-	-	-
Total Revenues:		15,579	-	9,692	22,669
Expenditures					
510	General Government	-	-	-	4,190
520	Public Safety	6,198	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		6,198	-	-	4,190
Excess (Deficiency) Revenues over Expenditures:		9,381	-	9,692	18,479
Other Increases in Fund Resources					
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:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	11,773	57,295
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	16,300	-	-	9,000
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		16,300	-	11,773	66,295
Increase (Decrease) in Cash and Investments:		(6,919)	-	(2,081)	(47,816)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	70,317	6,666	15,959	25,950
Total Ending Cash and Investments		70,317	6,666	15,959	25,950

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		142 PUBLIC DEFENSE FUNDING	143 COMMUNITY DEVELOPMENT	147 FEDERAL FOREST TITLE 3	148 JC AFFORDABLE HOUSING
Beginning Cash and Investments					
30810	Reserved	-	116,433	60,936	-
30880	Unreserved	55,477	414,797	-	405,280
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	431,478	-	-
330	Intergovernmental Revenues	36,673	189,331	21,641	-
340	Charges for Goods and Services	-	460,749	-	243,809
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	306	-
Total Revenues:		36,673	1,081,558	21,947	243,809
Expenditures					
510	General Government	18,680	-	-	-
520	Public Safety	-	307,706	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	1,285,834	-	-
560	Social Services	-	-	-	173,621
570	Culture and Recreation	-	-	-	-
Total Expenditures:		18,680	1,593,540	-	173,621
Excess (Deficiency) Revenues over Expenditures:		17,993	(511,982)	21,947	70,188
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	572,000	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	14,821	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	586,821	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	24,283	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		24,283	-	-	-
Increase (Decrease) in Cash and Investments:		(6,290)	74,839	21,947	70,188
Ending Cash and Investments					
5081000	Reserved	-	131,849	82,883	-
5088000	Unreserved	49,187	474,220	-	475,468
Total Ending Cash and Investments		49,187	606,069	82,883	475,468

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Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		150 TREASURER'S O&M	151 TREASURER'S REET	155 VETERANS RELIEF FUND	160 WATER POLLUTION CONTROL
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	36,528	21,220	69,647	91,524
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	45,692	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	10,544	-	-
340	Charges for Goods and Services	23,814	5,650	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	167	-	328	17,665
Total Revenues:		23,981	16,194	46,020	17,665
Expenditures					
510	General Government	27,650	4,000	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	51,187	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		27,650	4,000	51,187	-
Excess (Deficiency) Revenues over Expenditures:		(3,669)	12,194	(5,167)	17,665
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	15,850	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	1,732	-
Total Other Increases in Fund Resources:		-	-	17,582	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	5,863
597	Transfers-Out	-	10,000	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	10,000	-	5,863
Increase (Decrease) in Cash and Investments:		(3,669)	2,194	12,415	11,802
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	32,859	23,414	82,062	103,326
Total Ending Cash and Investments		32,859	23,414	82,062	103,326

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Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		174 PARKS & RECREATION	175 COUNTY PARKS IMPROVEMENT	178 POST- HARVEST TIMBER	180 ROADS
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	211,074	33,831	9,789	3,865,801
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	3,727,451
320	Licenses and Permits	-	-	-	153,660
330	Intergovernmental Revenues	-	30,591	-	3,811,355
340	Charges for Goods and Services	47,818	-	-	23,507
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	63,206	53,693	39	2,717
Total Revenues:		111,024	84,284	39	7,718,689
Expenditures					
510	General Government	-	-	-	26,027
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	7,254,208
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	598,480	40,456	-	-
Total Expenditures:		598,480	40,456	-	7,280,235
Excess (Deficiency) Revenues over Expenditures:		(487,456)	43,828	39	438,454
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	458,150	-	-	358,544
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	847,131
Total Other Increases in Fund Resources:		458,150	-	-	1,205,675
Other Decreases in Fund Resources					
594-595	Capital Expenditures	6,696	-	-	1,328,226
591-593, 599	Debt Service	-	-	-	31,579
597	Transfers-Out	-	15,000	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		6,696	15,000	-	1,359,805
Increase (Decrease) in Cash and Investments:		(36,002)	28,828	39	284,324
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	175,072	62,659	9,828	4,150,125
Total Ending Cash and Investments		175,072	62,659	9,828	4,150,125

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		181 EMERGENCY ROAD	185 FLOOD/STORM WATER MGMT	186 BRINNON FLOOD SUBZONE	187 QUI.LCENE FLOOD SUBZONE
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	2,441	9,919	9,849	137,262
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	1,564	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	10	-	-	-
Total Revenues:		10	1,564	-	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	2,610	-	12,341
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	2,610	-	12,341
Excess (Deficiency) Revenues over Expenditures:		10	(1,046)	-	(12,341)
Other Increases in Fund Resources					
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:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	1,048
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:		-	-	-	1,048
Increase (Decrease) in Cash and Investments:		10	(1,046)	-	(13,389)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	2,451	8,873	9,849	123,873
Total Ending Cash and Investments		2,451	8,873	9,849	123,873

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Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		199 COUNTY FAIR	202 RID BONDS	204 DEBT SERVICE	301 CONSTRUCTIO N &
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	76,224	4,398	2,204	136,980
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	6,883
330	Intergovernmental Revenues	35,762	-	-	-
340	Charges for Goods and Services	72,641	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	156,600	18	6	68
Total Revenues:		265,003	18	6	6,951
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	216,330	-	-	-
Total Expenditures:		216,330	-	-	-
Excess (Deficiency) Revenues over Expenditures:		48,673	18	6	6,951
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	2,594,528	-
397	Transfers-In	4,766	-	-	1,100,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		4,766	-	2,594,528	1,100,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	17,762	-	-	162,324
591-593, 599	Debt Service	-	-	2,594,528	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	600	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		17,762	-	2,595,128	162,324
Increase (Decrease) in Cash and Investments:		35,677	18	(594)	944,627
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	111,901	4,416	1,610	1,081,607
Total Ending Cash and Investments		111,901	4,416	1,610	1,081,607

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		302 CAPITAL IMPROVEMENT	304 HJ CARROLL PARK	306 PUBLIC INFRASTRUCTURE	308 CONSERVATION FUTURES
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	2,737,948	2	594,435	517,135
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	1,237,752	-	453,245	233,024
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	22	-	3,609	2,384
Total Revenues:		1,237,774	-	456,854	235,408
Expenditures					
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:		1,237,774	-	456,854	235,408
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	300,000	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	8,829
Total Other Increases in Fund Resources:		300,000	-	-	8,829
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	25,049	124,311
591-593, 599	Debt Service	629,250	-	-	-
597	Transfers-Out	1,100,000	-	170,000	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	650,000	-	-	-
Total Other Decreases in Fund Resources:		2,379,250	-	195,049	124,311
Increase (Decrease) in Cash and Investments:		(841,476)	-	261,805	119,926
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	1,896,472	2	856,240	637,061
Total Ending Cash and Investments		1,896,472	2	856,240	637,061

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		401 SOLID WASTE	405 TRI AREA SEWER	501 ER&R	502 RISK MANAGEMENT RESERVE
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	2,199,185	794,515	3,589,174	222,488
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	109,516	-	-	-
340	Charges for Goods and Services	3,291,245	-	2,101,049	57,488
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	12,328	2,740	1,202	-
Total Revenues:		3,413,088	2,740	2,102,251	57,488
Expenditures					
510	General Government	-	-	-	64,698
520	Public Safety	-	-	-	-
530	Utilities	2,788,219	14,178	-	-
540	Transportation	-	-	1,499,990	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,788,219	14,178	1,499,990	64,698
Excess (Deficiency) Revenues over Expenditures:		624,870	(11,438)	602,261	(7,210)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	1,502,629	-	-
397	Transfers-In	-	170,000	1,898	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	58,582	-	-	-
381, 395, 398	Other Resources	-	-	27,572	-
Total Other Increases in Fund Resources:		58,582	1,672,629	29,469	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	434,502	-	659,561	-
591-593, 599	Debt Service	-	1,665,649	-	-
597	Transfers-Out	18,200	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		452,702	1,665,649	659,561	-
Increase (Decrease) in Cash and Investments:		230,750	(4,458)	(27,830)	(7,210)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	2,429,934	790,057	3,561,343	215,278
Total Ending Cash and Investments		2,429,934	790,057	3,561,343	215,278

The accompanying notes are an integral part of this statement.

Jefferson County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		505 EMPLOYEE BENEFIT RESERVE	506 INFORMATION SERVICES	507 FACILITIES MANAGEMENT
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	646,132	1,343,690	433,664
388 / 588	Prior Period Adjustments, Net	4,559	4,872	3,709
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	207,690	1,531,695	1,102,972
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	3,186	441	-
Total Revenues:		210,876	1,532,136	1,102,972
Expenditures				
510	General Government	150,749	1,208,781	912,944
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		150,749	1,208,781	912,944
Excess (Deficiency) Revenues over Expenditures:		60,127	323,355	190,028
Other Increases in Fund Resources				
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:		-	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	230,566	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	102,118	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		102,118	230,566	-
Increase (Decrease) in Cash and Investments:		(41,991)	92,789	190,028
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	608,700	1,441,351	627,402
Total Ending Cash and Investments		608,700	1,441,351	627,402

The accompanying notes are an integral part of this statement.

Jefferson County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		Total for All Funds (Memo Only)	602 ROAD IMPROVEMENT GUARANTY	606 DRAINFIELD TRUST	610 DISPUTE RESOLUTION CENTER
308	Beginning Cash and Investments	238,826	5,000	118,183	392
388 & 588	Prior Period Adjustments, Net	232,957	-	-	-
310-360	Revenues	9,970,840	-	603	5,256
380-390	Other Increases and Financing Sources	6,107,831	-	-	-
510-570	Expenditures	17,132	-	-	-
580-590	Other Decreases and Financing Uses	15,848,010	-	-	5,219
	Net Increase (Decrease) in Cash and Investments:	213,529	-	603	37
508	Ending Cash and Investments	685,312	5,000	118,786	429

		625 INMATE COMM TRUST	628 SECTION 125 ADMIN	629 ANIMAL SERVICES	630 ANIMAL SERVICES O&M
308	Beginning Cash and Investments	41,375	5,238	147	507
388 & 588	Prior Period Adjustments, Net	17,485	-	-	-
310-360	Revenues	19,716	-	-	-
380-390	Other Increases and Financing Sources	5,088	-	-	-
510-570	Expenditures	17,132	-	-	-
580-590	Other Decreases and Financing Uses	-	-	-	-
	Net Increase (Decrease) in Cash and Investments:	7,672	-	-	-
508	Ending Cash and Investments	66,532	5,238	147	507

		634 COUNTY TIMBER TAX	638 TREASURER'S SUSPENSE	641 JC COMMUNITY NETWORK	650 STATE PASS THROUGH FUNDS
308	Beginning Cash and Investments	-	43,897	24,087	-
388 & 588	Prior Period Adjustments, Net	-	-	-	215,472
310-360	Revenues	135,643	-	-	9,809,622
380-390	Other Increases and Financing Sources	-	167,389	-	5,935,354
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	-	38,852	-	15,803,939
	Net Increase (Decrease) in Cash and Investments:	135,643	128,537	-	(58,963)
508	Ending Cash and Investments	135,643	172,434	24,087	156,509

The accompanying notes are an integral part of this statement.

Jefferson County
Notes to the Financial Statements
For the year ended 12/31/2016

Note 1 - Summary of Significant Accounting Policies

Jefferson County was incorporated on December 22, 1852, and operates under the laws of the state of Washington applicable to a County with a Commissioner form of government. The County is a general purpose local government and provides public safety, planning and zoning, road improvement, parks and recreation, judicial administration, health and social services and general administrative services.

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 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.

In accordance with state law Jefferson County also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The County adopts annual appropriated budgets for the general, special revenue, capital projects and proprietary funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where the 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.

Assessor
 Auditor
 Elections
 Clerk
 County Administrator
 Commissioners
 Board of Equalization
 Civil Service
 Planning Commission
 Public Safety
 Community Services
 District Court
 Juvenile Services
 Prosecuting Attorney
 Coroner
 Sheriff
 Superior Court
 Treasurer
 Operating Transfers
 Non Departmental
 Courthouse Facilitator
 Boating Safety Program
 Cooperative Extension Programs
 4-H After School
 JeffCom Bond Indebtedness Fund
 Crime Victims Services
 Grants Management
 Hotel / Motel
 H&HS Site Management
 Public Health
 Water Quality
 Mental Health
 Chemical Dependency
 JC Drug Fund

Sheriff Drug Investigation Fund
 Law Library
 Trial Court Improvement
 Public Defense Funding
 Community Development
 Federal Forest Title 3
 JC Affordable Housing
 Treasurer's O&M
 Treasurer's REET
 Veteran's Relief Fund
 Water Pollution Control
 Parks & Recreation
 County Parks Improvement
 Post-Harvest Timber
 County Roads
 Emergency Road Reserve
 Facilities
 Flood/Storm Water Management
 Brinnon Flood Control
 Quilcene Flood Control
 County Fair
 Construction & Renovation
 Capital Improvement
 HJ Carroll Park
 Public Infrastructure
 Conservation Futures
 Solid Waste
 Tri Area Sewer
 ER&R
 Risk Management Reserve
 Employee Benefit Reserve
 Information Services
 Facilities Management
 JC Inmate Commissary Trust

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

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

Fund/Department	Final Appropriated	Actual Expenditures	Variance
General Fund:			
Assessor	889,829	871,473	18,356
Auditor	588,934	558,189	30,745
Elections	305,153	300,601	4,552
Clerk	433,676	386,609	47,067
County Administrator	367,583	331,528	36,055

Fund/Department	Final Appropriated	Actual Expenditures	Variance
Commissioners	437,199	430,581	6,618
Board of Equalization	33,383	30,891	2,492
Civil Service	2,173	1,827	346
Planning Commission	39,670	35,307	4,363
Public Safety	194,585	193,309	1,276
Community Services	186,835	185,945	890
District Court	836,458	801,149	35,309
Juvenile Services	960,518	936,199	24,319
Prosecutor	966,429	914,054	52,375
Coroner	46,350	45,865	485
Sheriff	6,062,277	5,861,422	200,855
Superior Court	323,972	277,174	46,798
Treasurer	449,422	443,501	5,921
Operating Transfers	2,649,720	2,649,720	0
Non Departmental	3,376,930	3,312,622	64,308
TOTAL GENERAL FUND	19,151,096	18,567,966	583,130
Auditor's O&M	154,616	131,152	23,464
Courthouse Facilitator	8,926	8,866	60
Boating Safety	66,758	48,917	17,841
Cooperative Extension	543,914	499,844	44,070
4H After School	46,129	38,086	8,043
Jeff Com Capital	274,790	269,057	5,733
Crime Victims	79,051	78,578	473
Grants Management	150,000	100,378	49,622
Hotel / Motel	453,897	434,067	19,830
H&HS Site Management	20,000	0	20,000
Public Health	3,971,425	3,793,228	178,197
Water Quality	1,081,256	906,723	174,533
Mental Health	44,250	44,250	0
Chemical Depend/Mental	408,980	349,761	59,219
JC Drug	23,400	22,498	902
Sheriff Drug Invest	3,000	0	3,000
Law Library	11,914	11,773	141
Trial Court Improvement	73,500	70,485	3,015
Public Defense	43,283	42,963	320
Community Development	1,671,618	1,593,540	78,078

Fund/Department	Final Appropriated	Actual Expenditures	Variance
Federal Forest Title 3	0	0	0
JC Affordable Housing	203,400	173,621	29,779
Treasurer's O&M	46,881	27,650	19,231
REET Technology	14,000	14,000	0
Veteran's Relief	59,950	51,187	8,763
Water Pollution Control	8,427	5,863	2,564
Parks & Recreation	618,090	605,177	12,913
Parks Improvement	59,055	55,456	3,599
Post Harvest Timber	4,017	0	4,017
County Roads	9,979,537	8,640,040	1,339,497
Emergency Road Reserve	0	0	0
Facilities	1,121,889	912,943	208,946
Flood/Storm Water	2,632	2,610	22
Brinnon Flood Control	2,500	0	2,500
Quilcene Flood Control	116,517	13,389	103,128
County Fair *	250,000	234,092	15,908
Construction & Renovation	1,230,000	162,325	1,067,675
Co Capital Improvement	2,380,250	2,379,250	1,000
HJ Carroll Park	0	0	0
Public Infrastructure	779,107	195,049	584,058
Conservation Futures	485,809	124,311	361,498
Solid Waste **	3,601,346	3,535,438	65,908
Tri Area Sewer	221,159	177,198	43,961
ER&R	3,394,031	2,159,548	1,234,483
Risk Management Reserve	150,000	64,698	85,302
Employee Benefit Reserve	293,325	252,867	40,458
Information Services	1,819,337	1,439,348	379,989
Total Other Funds	35,971,966	29,670,226	6,301,740

* This is the total expenditures less a transfer out to resolve moving transactions from fund 640 to fund 199.

** This is the total expenditures less the amount of transfers between funds 401/402/403/404 as these are not actual expenditures.

Budgeted amounts are authorized to be transferred between departments within any fund/object class within departments by the County Auditor; 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 Jefferson County Board of Commissioners.

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 \$5,000 and an estimated useful life in excess of 4 years. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 10 days and is payable upon separation or retirement. The employee may carry over five additional days with department head approval and another additional five days with county administrator approval. Non-represented employees have Paid Time Off (PTO) in lieu of vacation and sick leave. Sick leave may be accumulated up to 1,920 hours. Upon retirement employees receive payment for 25% of unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 5, *Debt Service Requirements*.

H. Risk Management

Jefferson 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, 2016, 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 \$25 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 2016, Jefferson 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 2015-16, this “corridor” increased the SIR to \$2 million, but with an aggregated stop loss of \$3.45 million. Other reinsurance agreements respond 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 2015-16, Jefferson 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.

Jefferson 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 2015-16, the WCRP's assets decrease 4% to \$46.8 million while its liabilities increased slightly to \$29 million. The Pool's net position decreased slightly from \$18.9 million to \$17.9 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, 2016 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Additional information may be requested by writing to the address below or viewing their website:

Washington Counties Risk Pool
2558 RW Johnson Rd SW, Suite 106
Tumwater, WA 98512-6103
www.wcrp.info

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 the county. When expenditures that meet restrictions are incurred, the county intends to use reserved resources first before using unreserved amounts.

Reserved Ending Cash and Investments consist of \$808,687, detailed below.

Fund	Fund Name	Amount	Description
125	Hotel/Motel	\$565,407	Tax revenues restricted for specific use per RCW 67.28.180
127	Public Health	\$28,548	DSHS Long Term Payable
143	Dept of Community Development	\$131,849	Customer deposits for the CASP (Critical Area Stewardship Program)
147	Federal Forest Title III	\$82,883	Grant revenues received in advance for purposes defined by the grantor
	Total	\$808,687	

Note 2 – Deposits and Investments

It is Jefferson County's policy to invest all temporary cash surpluses. Some funds are invested as a sub-pool where interest is proportionately applied based on the average monthly balance. Other funds are invested as county cash and interest is deposited to the county general fund.

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

Investments are reported at original cost. Investments by type on December 31, 2016 are as follows:

Type of Investment	Jefferson County's Own Investments	Investments Held by Jefferson County as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	20,945,016	96,129,889	117,074,905
US Government Securities	8,847,108	-	8,847,108
Time Certificates	9,000,000	1,066,149	10,066,149
Total	\$ 38,792,124	\$ 97,196,038	\$ 135,988,162

Securities Lending Transactions – None

Derivatives – None

Compensating Balances – None

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 the year 2016 was \$1.64477 per \$1,000 on an assessed valuation of \$4,639,591,919 for a total regular levy of \$ 7,631,060.

The county's road levy for the year 2016 was 1.29416 per \$1,000 on an assessed valuation of 3,298,790,528 for a total road levy of \$4,269,170.

Of the \$4,269,170 road levy, the county diverted \$720,000 to the General Fund per RCW 84.52.043 (1) (d).

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2016:

	<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Balance 1/1/2016</u>	<u>New Loans</u>	<u>Repayments</u>	<u>Balance 12/31/2016</u>
1. County Road		Capital Improvement	\$0	\$650,000	\$0	\$650,000
		TOTALS	<u>\$0</u>	<u>\$650,000</u>	<u>\$0</u>	<u>\$650,000</u>

Note 5 – Debt Service Requirements**A. Debt Service**

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, 2016.

The debt service requirements for general obligation bonds, revenue bonds and other debt including both principal and interest are as follows:

Year	Principal	Interest	Total
2016	903,531.56	342,851.23	1,246,382.79
2017	979,814.12	335,209.65	1,315,023.77
2018	1,086,439.07	271,576.26	1,358,015.33
2019	689,098.53	232,308.54	921,407.07
2020	704,240.92	207,467.33	911,708.25
2021	862,874.01	181,078.22	1,043,952.23
2022-2026	3,273,967.14	636,136.13	3,910,103.27
2027-2031	2,308,992.28	203,476.81	2,512,469.09
2032-2046	866,976.84	34,679.07	901,655.91
Total	11,675,934.47	2,444,783.24	14,120,717.71

B. Debt Refunding

In 2016, the county issued a total of \$4,097,157 of general obligation refunding bonds to refinance \$3,715,000 of the callable portion of the bonds.

For the 2016 LTGO Bond, the county issued \$1,576,157 of general obligation refunding bonds to refinance \$1,500,000 of the callable portion of the 2007 LTGO Bond. This refunding was undertaken to reduce total debt service payments over the next 10.5 years by \$130,832 (annual savings of \$5,734 in 2017, \$12,510 in years 2018 – 2026). The financial statements reflect no other financing sources of or uses pertaining to this transaction.

For the 2016 LTGO Series B Bond, the county issued \$2,521,000 of general obligation refunding bonds to refinance \$2,215,000 of the callable portion (2021-2030) of the 2011 LTGO Bond. This refunding was undertaken to reduce total debt service payments over the next 14 years by \$153,308 (average annual savings of \$10,951).

Debt Guarantees – None

C. Schedule 9 Note

General Obligation: LTGO Bond 2011 JeffCom RMS & LTGO Bond 2011-DPW (Capital Improvement) beginning balances have been corrected to show the actual balance. Years 2014 & 2015 reductions were reported incorrectly. All reductions came out of DPW instead of the split between the two bonds.

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 as follows: PERS 1, PERS 1 UAAL (incl. with PERS 1 below), PERS 2/3, LEOFF 1, LEOFF 2, PSERS 2.

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
P.O. Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

On June 30, 2016 (the measurement date of the plans), the county's proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.105898%	\$5,687,221
PERS 2/3	0.117320%	\$5,906,969
PSERS 2	0.345167%	\$ 146,689
LEOFF 1	0.013420%	\$ (138,264)
LEOFF 2	0.067224%	\$ (390,995)
VFFRPF		

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. Jefferson County has no active LEOFF Plan 1 employees.

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.

B. Local Government Pension Plans – Not Applicable

Note 7 - Other Disclosures

- A. All bank checking accounts within the county have been reviewed, reconciled, and audited in 2016 by the Auditor. The bank accounts had established separation of duties; however, they were also reviewed and corrected as needed.

Most of these are other bank accounts that have not been included in previous County financial statements. These accounts are maintained by the individual departments, not the Treasurer.

1. The following accounts are included in the General Fund balances:

Clerk (Account Ending 7924) – The County Clerk maintains a checking account for all monies collected and are deposited daily. Payments are received for service fees, i.e. case filings, court document copies, Courthouse Facilitator visits, etc. Checks are issued daily to the County Treasurer for all funds collected the prior day that are the property of the County or the State. Monies also are held in trust for civil matters, child/spousal support, probate/guardianship matters, bail, or garnishment actions by the registry of the court pending adjudication or as a pass-through pursuant to an already established court order. We also collect payments from convicted persons in satisfaction of judgments ordered by the court. While remittance to the Treasurer is issued as a function of law, all other disbursements are pursuant to court order.

Department of Licensing (Account Ending 7720) – This account is used to deposit fees collected for Vehicle / Vessel transactions processed by Auditors staff for the State of Washington, Department of Licensing. Deposits are done daily. The State Treasurer withdraws funds by electronic funds transfer. The County withdraws their fees by check on a daily basis and deposits in the Treasurer’s Office.

District Court (Account Ending 7830) – This account is a trust account used for bail refunds, daily deposits, and court ordered restitution. The court also remits monthly from this account to the City of Port Townsend and Jefferson County.

Juvenile Court (Account Ending 5511) – This account is held by the Juvenile and Family Court at Kitsap Bank is used for authorized training events and volunteer appreciation efforts in support of the Guardian ad Litem (CASA) program. The money comes from donations from citizens who are passionate about supporting GAL services to children involved in the child welfare system. The money is dispersed by the Juvenile Court Administrator for the purposes identified above.

Sheriff Jail Clearing (Account Ending 7856) – This account receives bail, work release fees and warrant fees. Check are written to courts for bail or to the county for fees collected.

Sheriff Civil Clearing (Account Ending 7791) – This account received incoming monies for the civil department per Ordinance 09-1123-15. Monies are deposited at the Treasurer’s office and refunds any overpayments.

Sheriff Revolving (Account Ending 7775) – This revolving account collects monies from citizens for concealed pistol permits (CPL), firearms licenses, and fingerprinting service. Monies collected for CPL and firearms are deposited at the local bank branch weekly, using the Treasurer’s account deposit slip. Deposit documentation is forwarded to the Treasurer’s office. County accounts payable then prepays for the specific fee that will be withdrawn by the WA State Patrol.

The other accounts below are part of the General Fund. On the Financial Statement C-4, the “Beginning Balances” are included in Prior Period Adjustments and the “IN/OUT” are netted in BARS 38900 Custodial Activities.

Department	Fund	Bank Account	Beginning Balance	IN	OUT	Ending Balance
Clerk	001	1st Security Bank - 7924	51,029.29	1,040,372.99	919,707.83	171,694.45
Dept of Licensing	001	1st Security Bank - 7720	16,938.90	3,374,348.86	3,388,015.28	3,272.48
District Court	001	1st Security Bank - 7830	101,376.05	1,308,248.86	1,363,393.96	46,230.95
Juvenile Court Services	001	Kitsap Bank – 5511	5,053.25	5,018.00	1,357.30	8,713.95
Sheriff- Jail Clearing	001	1st Security Bank - 7856	1,386.92	422,744.09	422,900.78	1,230.23
Sheriff- Civil Clearing	001	1st Security Bank - 7791	1,567.98	24,153.52	24,642.91	1,078.59
Sheriff- Revolving	001	1st Security Bank - 7775	1,959.00	38,254.25	37,488.25	2,725.00
Total General Fund			\$ 179,311.39	\$6,213,140.57	\$6,157,506.31	\$234,945.65

2. Described below are other fiduciary accounts identified as not being included in previous county financial statements:

Sheriff Inmate Commissary Trust (Account Ending 7814) – This account is no longer an active account. The funds held in this account are escheated monies and will be reported to the WA State Dept of Revenue in October, 2017.

Sheriff Inmate Trust/Swanson Service (Account Ending 2473) – This is the active inmate account. Inmates deposit their money via kiosk upon incarceration and additional money can be added. This money pays for commissary items purchased by the inmates, i.e. medications, stamps, razors, etc. When the inmate is released, the balance remaining is given back to the inmate via check.

The fiduciary accounts are detailed below. For the C-5 Financial Statement, the “Beginning Balance” was reflected in BARS 38810 Prior Period Adjustment, the transactions are netted in BARS 38900.

Department	Fund	Bank Account	Beginning Balance	IN	OUT	Ending Balance
Sheriff- Inmate Trust	625	1st Security Bank - 7814	3,187.12	-	-	3,187.12
Sheriff- Inmate Trust/Swanson Service	625	1st Security Bank - 2473	14,298.27	88,701.20	83,613.01	19,386.46
Total Sheriff Inmate Trust			17,485.39	88,701.20	83,613.01	22,573.58

B. Detail for Prior Period Adjustments

Department	Fund	Prior Period Adjustments 388/588	Reason
Clerk	001	51,029.29	Other Revolving Account
Dept of Licensing	001	16,938.90	Other Revolving Account
District Court	001	90,264.05	**See Below**
Juvenile Court Services	001	5,053.25	Other Revolving Account
Sheriff – Civil Clearing	001	1,567.98	Other Revolving Account
Sheriff- Jail Clearing	001	1,386.92	Other Revolving Account
Sheriff – Revolving	001	1,959.00	Other Revolving Account
Jeff Co Drug Fund	135	9,076.15	\$7,982.05 Refund of Overpayment \$1,094.10 Refund Software Support
Employee Benefit Reserve	505	4,559.00	\$3,365 PERS Reimbursement \$1,194 L&I Refund
Information Services	506	4,871.80	Return of purchased equipment.
Facilities Management	507	3,709.46	Refund due to incorrect rates.
Sheriff- Inmate Trust/Swanson Service	625	17,485.39	Other Revolving Account
State Pass Through Funds	650	215,472.01	1 st Reporting on C5
Total		423,373.20	

Prior Period Explanation – District Court:

1. During 2014, during the 2013 Annual Report Audit, the SAO identified a variance in this Other account that has partially been resolved. However, this has resulted in carrying \$11,112 as a variance for two years. At the end of 2016, it was determined that all efforts were completed to resolve; therefore, it was decided to make the account whole and post as an expenditure item resulting in the Prior Period Adjustment (588).
 2. Other Revolving Account Beginning Balance - \$101,376.05 (Revenue)
- C. The county has a deductible of \$25,000. The Washington Counties Risk Pool does not provide coverage for Public Records Request litigation.

D. OPEB

The County has a commitment to pay for post-employment benefits for employees that belong to LEOFF1. These benefits include Medicare reimbursement, insurance premium, medical, and dental. Six retirees received benefits during the year and \$44,757 was paid out for those benefits during 2016.

E. Jefferson County/JeffCom Relationship

On October 1, 2012, JeffCom agency became established as a separate entity. Per Jefferson County Resolution 53-12 dated September 4, 2012 the following happened:

- 1) The two existing funds, 121-000-010 & 122-000-010, were closed.
- 2) The existing fund, 119-000-010, remains to be used under the direction of the County Treasurer for sales tax collection and bond payments and is referred to as JeffCom Bond Indebtedness Fund.

In 2016, \$275,589 taxes were collected by Jefferson County into Fund 119 JeffCom Bond Indebtedness Fund.

The revenue collected paid \$269,507 of Debt Service, resulting in a net increase of \$6,705 in 2016.

This \$6,705 added to the beginning fund balance of \$24,127 resulted in an ending fund balance of \$30,832 in 2016.

**Jefferson County
Schedule of Liabilities
For the Year Ended December 31, 2016**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.61	Castle Hill Property	12/1/2021	1,280,543	-	183,240	1,097,303
251.11	LTGO 2007 - JeffCom	12/1/2026	1,620,000	-	1,620,000	-
251.11	LTGO Bond 2011 Tri Area	12/1/2030	1,795,000	-	1,400,000	395,000
251.11	LTGO Bond 2011 JeffCom	12/1/2030	905,000	-	905,000	-
251.11	LTGO Bond 2011 JeffCom RMS	12/1/2018	140,000	-	45,000	95,000
251.11	LTGO Bond 2011 DPW	12/1/2018	1,040,000	-	335,000	705,000
263.87	PW Trust Fund Loan	6/1/2046	1,676,155	-	-	1,676,155
263.81	PW Trust Fund Loan	7/1/2020	131,580	-	26,316	105,264
Total General Obligation Debt/Liabilities:			8,588,278	-	4,514,556	4,073,722
Revenue and Other (non G.O.) Debt/Liabilities						
263.88	Water Loan L0700030	12/31/2018	5,502	-	5,502	-
252.11	LTGO RFG 2016A - JeffCom	12/1/2026	-	1,576,157	12,382	1,563,775
252.11	LTGO REFG 2016B - RTRI Area	12/1/2030	-	1,516,659	-	1,516,659
252.11	LTGO REFG 2016B - E911	12/1/2030	-	1,004,341	-	1,004,341
259.12	Compensated Absences		483,583	43,217	-	526,800
264.30	Net Pension Liability		9,779,953	1,960,927	-	11,740,880
Total Revenue and Other (non G.O.) Debt/Liabilities:			10,269,038	6,101,301	17,884	16,352,455
Total Liabilities:			18,857,316	6,101,301	4,532,440	20,426,177

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients
Food And Nutrition Service, Department Of Agriculture (via WA State Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17112	87,756	-	87,756	3
Food And Nutrition Service, Department Of Agriculture (via WA State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C17112	340	-	340	3
Forest Service Schools and Roads Cluster							
Forest Service, Department Of Agriculture (via Forest Service Department of Agriculture (via n/a))	Schools and Roads - Grants to States	10.665	N/A	459,872	-	459,872	-
Total Forest Service Schools and Roads Cluster:				459,872	-	459,872	-
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA Recreation & Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	12-1221C	185,032	-	185,032	3
Office Of Community Planning And Development, Department Of Housing And Urban Development (via WA state Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-62210-007	60,008	-	60,008	4
Office Of Community Planning And Development, Department Of Housing And Urban Development (via WA state Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210-007	27,570	-	27,570	4
Total CFDA 14.228:				87,578	-	87,578	84,472

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
Fish And Wildlife Service, Department Of The Interior (via U.S. Dept of Interior (Fish & Wildlife Service))	Fish and Wildlife Management Assistance	15.608	F15AC00422	3,202	-	3,202	-
Violence Against Women Office, Department Of Justice (via WA State Dept. of Commerce Crime Victims Advocacy)	Violence Against Women Formula Grants	16.588	F15-31103-012	15,616	-	15,616	-
Highway Planning and Construction Cluster							
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA7177	53,603	-	53,603	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-8904	162,271	-	162,271	-
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA7591	892,850	-	892,850	6
Total Highway Planning and Construction Cluster:				1,108,724	-	1,108,724	-
Highway Safety Cluster							
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WASPC Grant)	State and Community Highway Safety	20.600	N/A	6,464	-	6,464	-
Total Highway Safety Cluster:				6,464	-	6,464	-

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

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		
Region 10, Environmental Protection Agency (via Clallam County)	Puget Sound Watershed Management Assistance	66.120	PO-00J08801	158,034	-	158,034	-	
Region 10, Environmental Protection Agency (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	15-13680, 2015 -22-Jefferson	6,662	-	6,662	-	
Region 10, Environmental Protection Agency (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2015- JeCoWS-00007	57,491	-	57,491	-	
Region 10, Environmental Protection Agency (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	13-1234, 14- 2196P, 14- 01929	826	-	826	-	
Region 10, Environmental Protection Agency (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2016- JeCoWS-00006	14,369	-	14,369	-	
Region 10, Environmental Protection Agency (via WA State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C17112	47,575	-	47,575	-	3
Region 10, Environmental Protection Agency (via WA State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C17112	53,069	-	53,069	-	3

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

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		
Region 10, Environmental Protection Agency (via Hood Canal Coordinating Council)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	N20719	73,971	-	73,971	-	3
Region 10, Environmental Protection Agency (via WA State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C17112	8,000	-	8,000	-	3
Total CFDA 66.123:				261,962	-	261,962	-	
U.s. Election Assistance Commission (via WA State Sec of State (HAVA Grant))	Help America Vote Act Requirements Payments	90.401	G-2841/8	1,532	-	1,532	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via WA State Department of Health)	Public Health Emergency Preparedness	93.069	C17112	31,104	-	31,104	-	3
Office Of Population Affairs, Department Of Health And Human Services (via WA State Department of Health)	Family Planning_Services	93.217	C17112	26,156	-	26,156	-	3
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via WA State Department of Social & Health Services)	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1563-42479	48,365	-	48,365	-	3

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

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		
Centers For Disease Control And Prevention, Department Of Health And Human Services (via WA State Department of Health)	Immunization Cooperative Agreements	93.268	C17112	4,006	-	4,006	-	3
Centers For Disease Control And Prevention, Department Of Health And Human Services (via WA State Department of Health)	Immunization Cooperative Agreements	93.268	N/A	15,242	-	15,242	-	5
Total CFDA 93.268:				19,248	-	19,248	-	
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1- 609, 2110- 80384	35,066	-	35,066	-	
CCDF Cluster								
Administration For Children And Families, Department Of Health And Human Services (via Olympic Educational Service District #114)	Child Care and Development Block Grant	93.575	2016 SY	334	-	334	-	
Total CCDF Cluster:				334	-	334	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via WA State Department of Health)	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	C17112	743	-	743	-	3

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

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		
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Public Health Seattle & King County)	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	CDIP4197	348	-	348	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Public Health Seattle & King County)	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	CDIP3947	78	-	78	-	
Total CFDA 93.752:				427	-	427	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Department of Health Kitsap County)	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	1485	22,428	-	22,428	-	3
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Department of Health Kitsap County)	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	1586	7,552	-	7,552	-	3
Total CFDA 93.757:				29,979	-	29,979	-	
Medicaid Cluster								
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via WA State Health Care Authority)	Medical Assistance Program	93.778	K1404	90,329	-	90,329	-	3

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

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		
			Total Medicaid Cluster:	90,329	-	90,329	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Olympic Educational Service District #114)	Assistance Programs for Chronic Disease Prevention and Control	93.945	15-16 SY	4,620	-	4,620	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via WA State Department of Social & Health Services)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1563-42479	27,228	-	27,228	-	3
Health Resources And Services Administration, Department Of Health And Human Services (via WA State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17112	16,621	-	16,621	-	3
Health Resources And Services Administration, Department Of Health And Human Services (via WA State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17112	22,394	-	22,394	-	3
Total CFDA 93.994:				39,015	-	39,015	-	
United States Coast Guard (uscg), Department Of Homeland Security (via WA State Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	3316FAS16015 3	18,219	-	18,219	-	
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-457	75,258	-	75,258	-	8

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

	Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
					From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EO8-796,PW202	21,781	-	21,781	-
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637	151,543	-	151,543	7
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637 ,PW-127	1,132,846	-	1,132,846	9
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637 ,PW-42	84,979	-	84,979	-
			Total CFDA 97.036:		1,466,408	-	1,466,408	-
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Department of Homeland Security)	Emergency Management Performance Grants	97.042	E16-112	3,321	-	3,321	-
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Department of Homeland Security)	Emergency Management Performance Grants	97.042	E17-100	9,636	-	9,636	-
			Total CFDA 97.042:		12,957	-	12,957	-

The accompanying notes are an integral part of this schedule.

Jefferson County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

	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		
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Department of Homeland Security (via Dept. of Homeland Security))	Homeland Security Grant Program	97.067	E16-050	10,937	-	10,937	-	
	Federal Emergency Management Agency (fema), Department Of Homeland Security (via Department of Homeland Security (via State Homeland Security))	Homeland Security Grant Program	97.067	E15-079	40,643	-	40,643	-	
Total CFDA 97.067:					51,580	-	51,580	-	
Total Federal Awards Expended:					4,277,891	-	4,277,891	84,472	

The accompanying notes are an integral part of this schedule.

JEFFERSON COUNTY, WASHINGTON

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the Jefferson County financial statements. The basis of accounting Jefferson County uses represents a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America.

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 Jefferson County's portion, are more than shown.

Note 3 – INDIRECT COST RATE

The county has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The amount expended includes \$171,581.77 claimed as an indirect cost recovery using approved indirect cost rates of between 8 percent and 25.70 percent.

Note 4 – AMOUNTS AWARDED TO SUBRECEPIENTS

Included in the total amount expended for this program is \$84,472 that was passed through to a subrecipient that administered its own project.

Note 5 – Noncash Awards – Vaccinations

The amount of vaccine reported on the schedule is the value of \$15,241.84 vaccine received by Jefferson County during current year and priced as prescribed by Washington State Childhood Vaccine.

Note 6 - Includes \$6,103.44 expenses incurred in 2015. Additional funding for PE was not approved until 2016.

Note 7 - Includes \$97,647.61 expenses incurred in 2015. Retroactive FEMA funding agreement not awarded until April 2016

Note 8 - Includes \$75,258.44 expenses incurred in 2015. Retroactive FEMA funding agreement not awarded until April 2016

Note 9 - Includes \$15,466.54 expenses incurred in 2015. Retroactive FEMA funding agreement not awarded until November 2016

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Jefferson County January 1, 2016 through December 31, 2016

This schedule presents the corrective action planned by the auditee for findings reported in this report 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). The information in this schedule is the representation of the Jefferson County.

Finding ref number: 2016-001	Finding caption: The County did not have adequate controls in place to ensure the accurate reporting of fiduciary funds.
Name, address, and telephone of auditee contact person: Judy Shepherd 1820 Jefferson Street Port Townsend, WA 98368 (360) 385-9231	
Corrective action the auditee plans to take in response to the finding: <i>All funds will be reviewed to identify fiduciary activity to provide accurate reporting on the financial statements. In addition, we will seek out and attend training as it becomes available on how to discern, manage and report fiduciary activity.</i>	
Anticipated date to complete the corrective action: 12/31/2017	

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	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov