



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

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

## **Jefferson County**

**For the period January 1, 2018 through December 31, 2018**

**Published September 19, 2019**

**Report No. 1024583**





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

September 19, 2019

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,

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

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Jefferson County January 1, 2018 through December 31, 2018

#### 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 with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

##### Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

##### Federal Awards

##### Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the County's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
10.665	Forest Service Schools and Roads Cluster – Schools and Roads – Grants to States
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

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

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



JEFFERSON COUNTY COURTHOUSE  
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1820 Jefferson St  
Port Townsend WA 98368  
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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Jefferson County January 1, 2018 through December 31, 2018

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

<b>Audit Period:</b> 1/1/2017-12/31/2017	<b>Report Ref. No.:</b> 1022251	<b>Finding Ref. No.:</b> 2017-001				
<b>Finding Caption:</b> The County did not have adequate controls in place to ensure accurate reporting of the financial statements.						
<b>Background:</b> 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. The County received a finding in each of the prior three audits regarding controls over financial reporting.						
<b>Status of Corrective Action: (check one)</b> <table><tr><td><input checked="" type="checkbox"/> Fully Corrected</td><td><input type="checkbox"/> Partially Corrected</td><td><input type="checkbox"/> Not Corrected</td><td><input type="checkbox"/> Finding is considered no longer valid</td></tr></table>			<input checked="" type="checkbox"/> Fully Corrected	<input type="checkbox"/> Partially Corrected	<input type="checkbox"/> Not Corrected	<input type="checkbox"/> Finding is considered no longer valid
<input checked="" type="checkbox"/> Fully Corrected	<input type="checkbox"/> Partially Corrected	<input type="checkbox"/> Not Corrected	<input type="checkbox"/> Finding is considered no longer valid			
<b>Corrective Action Taken</b> <i>Additional controls have been implemented that including cash box audits, additional balancing activities between the two financial software programs, transactional oversight to various activities within the county. In 2019, we were able to add an additional full time person to our accounting team in the Auditor's Office. This has enabled us to have additional resources available to review and audit activities. We anticipate that we are well on our way to improved internal controls and transparency of financial transactions within the County. In 2019, we have also began the process to implement new financial software that will merge the existing two financial software programs into one program.</i>						

**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, 2018 through December 31, 2018**

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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 12, 2019.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's

internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

## COMPLIANCE AND OTHER MATTERS

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

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

## PURPOSE OF THIS REPORT

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



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

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

Pat McCarthy

State Auditor

Olympia, WA

September 12, 2019

**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, 2018 through December 31, 2018**

Board of Commissioners  
Jefferson County  
Port Townsend, Washington

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

We have audited the compliance of Jefferson County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended December 31, 2018. 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, 2018.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy  
State Auditor  
Olympia, WA

September 12, 2019

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## Jefferson County January 1, 2018 through December 31, 2018

Board of Commissioners  
Jefferson County  
Port Townsend, Washington

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Jefferson County, for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 16.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, 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 cash and investments of Jefferson County, and its changes in cash and investments, for the year ended December 31, 2018, 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, 2018, 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 conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is 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 12, 2019 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 12, 2019

## **FINANCIAL SECTION**

### **Jefferson County January 1, 2018 through December 31, 2018**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2018  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2018  
Notes to Financial Statements – 2018

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

Schedule of Liabilities – 2018  
Schedule of Expenditures of Federal Awards – 2018  
Notes to the Schedule of Expenditures of Federal Awards – 2018



**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>Total for All Funds (Memo Only)</b>	<b>001 GENERAL FUND</b>	<b>105 AUDITOR'S O&amp;M</b>	<b>106 COURTHOUSE FACILITATOR</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	907,701	83,552	-	-
30880	Unreserved	26,755,440	4,300,801	39,429	11,606
388 / 588	Prior Period Adjustments, Net	16,255	(114,412)	-	-
<b>Revenues</b>					
310	Taxes	21,302,449	13,742,044	-	-
320	Licenses and Permits	975,425	34,513	-	-
330	Intergovernmental Revenues	10,158,202	3,622,298	48,678	-
340	Charges for Goods and Services	13,486,193	1,455,532	27,677	4,820
350	Fines and Penalties	428,304	414,307	-	-
360	Miscellaneous Revenues	2,250,480	1,253,171	556	-
Total Revenues:		48,601,052	20,521,864	76,911	4,820
<b>Expenditures</b>					
510	General Government	12,538,763	9,577,990	91,124	5,013
520	Public Safety	7,941,907	7,576,327	-	-
530	Utilities	3,195,085	-	-	-
540	Transportation	8,693,882	-	-	-
550	Natural and Economic Environment	3,441,710	190,970	-	-
560	Social Services	4,694,246	178,725	-	-
570	Culture and Recreation	1,290,627	662,638	-	-
Total Expenditures:		41,796,219	18,186,649	91,124	5,013
Excess (Deficiency) Revenues over Expenditures:		6,804,834	2,335,216	(14,213)	(193)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,437,229	747,765	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	68,725	3,985	-	-
381, 395, 398	Other Resources	838,295	336,148	-	-
Total Other Increases in Fund Resources:		5,344,248	1,087,898	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	5,999,300	124,839	-	-
591-593, 599	Debt Service	1,160,897	-	-	-
597	Transfers-Out	4,341,534	2,279,374	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	197,256	148,377	-	-
581	Other Uses	32,500	-	-	-
Total Other Decreases in Fund Resources:		11,731,488	2,552,590	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>417,596</b>	<b>870,523</b>	<b>(14,213)</b>	<b>(193)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	879,580	103,716	-	-
5088000	Unreserved	27,217,374	5,036,748	25,216	11,413
<b>Total Ending Cash and Investments</b>		<b>28,096,954</b>	<b>5,140,464</b>	<b>25,216</b>	<b>11,413</b>

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, 2018**

		<b>107 BOATING SAFETY PROGRAM</b>	<b>108 COOPERATIVE EXTENSION</b>	<b>113 4-H AFTER SCHOOL</b>	<b>119 JEFFCOM BOND INDEBTEDNESS</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	30,903	15,990	34,738	24,301
388 / 588	Prior Period Adjustments, Net	-	5,731	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	264,695
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	32,451	92,927	-	-
340	Charges for Goods and Services	-	105,260	2,500	-
350	Fines and Penalties	436	-	-	-
360	Miscellaneous Revenues	-	150,992	-	-
Total Revenues:		32,887	349,179	2,500	264,695
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	37,194	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	231,920	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	259,132	40,254	-
Total Expenditures:		37,194	491,052	40,254	-
Excess (Deficiency) Revenues over Expenditures:		(4,307)	(141,873)	(37,754)	264,695
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	15,000	201,100	35,250	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		15,000	201,100	35,250	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	256,443
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	256,443
<b>Increase (Decrease) in Cash and Investments:</b>		<b>10,693</b>	<b>59,227</b>	<b>(2,504)</b>	<b>8,252</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	41,596	80,948	32,234	32,553
<b>Total Ending Cash and Investments</b>		<b>41,596</b>	<b>80,948</b>	<b>32,234</b>	<b>32,553</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>120 CRIME VICTIMS SERVICES</b>	<b>123 GRANT MANAGEMENT</b>	<b>125 HOTEL / MOTEL</b>	<b>127 PUBLIC HEALTH</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	616,845	28,548
30880	Unreserved	81,045	34,657	-	1,040,837
388 / 588	Prior Period Adjustments, Net	4,621	-	-	6,190
<b>Revenues</b>					
310	Taxes	-	-	533,889	48,138
320	Licenses and Permits	-	-	-	299,066
330	Intergovernmental Revenues	92,488	101,793	-	1,185,673
340	Charges for Goods and Services	19,738	-	-	1,549,104
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	8,916	8,769
Total Revenues:		112,226	101,793	542,805	3,090,750
<b>Expenditures</b>					
510	General Government	74,955	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	101,793	484,371	-
560	Social Services	-	-	-	3,786,379
570	Culture and Recreation	-	-	-	-
Total Expenditures:		74,955	101,793	484,371	3,786,379
Excess (Deficiency) Revenues over Expenditures:		37,271	-	58,434	(695,629)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	1,167,802
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	1,685
Total Other Increases in Fund Resources:		-	-	-	1,169,487
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	96,052
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	64,557	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	64,557	96,052
<b>Increase (Decrease) in Cash and Investments:</b>		<b>37,271</b>	<b>-</b>	<b>(6,123)</b>	<b>377,806</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	610,722	28,548
5088000	Unreserved	122,937	34,657	-	1,424,802
<b>Total Ending Cash and Investments</b>		<b>122,937</b>	<b>34,657</b>	<b>610,722</b>	<b>1,453,350</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>128 WATER QUALITY</b>	<b>130 MENTAL HEALTH</b>	<b>131 CHEMICAL DEPENDENCY</b>	<b>134 JC INMATE COMMISSARY</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	510,311	18,424	330,944	54,441
388 / 588	Prior Period Adjustments, Net	-	214	4,361	-
<b>Revenues</b>					
310	Taxes	-	48,143	573,509	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	626,431	87	-	-
340	Charges for Goods and Services	59,247	-	-	36,606
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	403,308	3	-	1,095
Total Revenues:		1,088,986	48,233	573,509	37,701
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	14,292
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	1,066,972	-	-	-
560	Social Services	-	-	364,006	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,066,972	-	364,006	14,292
Excess (Deficiency) Revenues over Expenditures:		22,014	48,233	209,503	23,409
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	12,398	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	595	-	-	-
381, 395, 398	Other Resources	-	1,685	-	-
Total Other Increases in Fund Resources:		12,993	1,685	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	98,082	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	98,082	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>35,007</b>	<b>49,918</b>	<b>111,421</b>	<b>23,409</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	545,318	68,556	446,726	77,850
<b>Total Ending Cash and Investments</b>		<b>545,318</b>	<b>68,556</b>	<b>446,726</b>	<b>77,850</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>135 JEFFERSON CO DRUG FUND</b>	<b>140 LAW LIBRARY</b>	<b>141 TRIAL COURT IMPROVEMENT</b>	<b>143 COMMUNITY DEVELOPMENT</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	152,210
30880	Unreserved	62,013	14,923	34,050	285,791
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	447,885
330	Intergovernmental Revenues	-	-	23,201	-
340	Charges for Goods and Services	-	9,915	-	451,246
350	Fines and Penalties	13,561	-	-	-
360	Miscellaneous Revenues	834	-	-	768
Total Revenues:		14,395	9,915	23,201	899,899
<b>Expenditures</b>					
510	General Government	-	-	30,718	-
520	Public Safety	3,054	-	-	311,040
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	1,365,684
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,054	-	30,718	1,676,724
Excess (Deficiency) Revenues over Expenditures:		11,341	9,915	(7,517)	(776,825)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	612,033
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	612,033
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	13,508	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	16,789	-	9,000	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	35,744
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		16,789	13,508	9,000	35,744
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(5,448)</b>	<b>(3,593)</b>	<b>(16,517)</b>	<b>(200,536)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	116,466
5088000	Unreserved	56,565	11,330	17,533	120,994
<b>Total Ending Cash and Investments</b>		<b>56,565</b>	<b>11,330</b>	<b>17,533</b>	<b>237,460</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>148 JC AFFORDABLE HOUSING</b>	<b>150 TREASURER'S O&amp;M</b>	<b>151 TREASURER'S REET</b>	<b>155 VETERANS RELIEF FUND</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	374,001	39,989	26,241	79,275
388 / 588	Prior Period Adjustments, Net	-	-	-	217
<b>Revenues</b>					
310	Taxes	-	-	-	50,453
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	10,393	88
340	Charges for Goods and Services	310,492	40,936	5,782	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	651	-	1,200
Total Revenues:		310,492	41,587	16,175	51,741
<b>Expenditures</b>					
510	General Government	-	31,928	4,000	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	273,642	-	-	91,494
570	Culture and Recreation	-	-	-	-
Total Expenditures:		273,642	31,928	4,000	91,494
Excess (Deficiency) Revenues over Expenditures:		36,850	9,659	12,175	(39,753)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	51,820
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	1,706
Total Other Increases in Fund Resources:		-	-	-	53,526
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
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	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>36,850</b>	<b>9,659</b>	<b>2,175</b>	<b>13,773</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	410,851	49,648	28,416	93,265
<b>Total Ending Cash and Investments</b>		<b>410,851</b>	<b>49,648</b>	<b>28,416</b>	<b>93,265</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>175 COUNTY PARKS IMPROVEMENT</b>	<b>180 ROADS</b>	<b>199 COUNTY FAIR</b>	<b>202 RID BONDS</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	111,719	4,296,130	141,845	4,452
388 / 588	Prior Period Adjustments, Net	-	24,751	-	-
<b>Revenues</b>					
310	Taxes	-	4,043,282	-	-
320	Licenses and Permits	-	186,728	-	-
330	Intergovernmental Revenues	28,224	4,213,741	33,770	-
340	Charges for Goods and Services	-	28,389	65,825	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	60,172	4,173	148,283	73
Total Revenues:		88,396	8,476,312	247,878	73
<b>Expenditures</b>					
510	General Government	-	15,627	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	6,655,756	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	63,429	-	265,174	-
Total Expenditures:		63,429	6,671,383	265,174	-
Excess (Deficiency) Revenues over Expenditures:		24,967	1,804,930	(17,296)	73
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	67,185	164,075	5,060	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	205,673	-	-
Total Other Increases in Fund Resources:		67,185	369,747	5,060	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	45,860	1,784,288	12,954	-
591-593, 599	Debt Service	-	44,911	-	-
597	Transfers-Out	15,000	4,500	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	32,500	-	-
Total Other Decreases in Fund Resources:		60,860	1,866,199	12,954	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>31,292</b>	<b>308,479</b>	<b>(25,190)</b>	<b>73</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	143,011	4,629,358	116,655	4,525
<b>Total Ending Cash and Investments</b>		<b>143,011</b>	<b>4,629,358</b>	<b>116,655</b>	<b>4,525</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>204 DEBT SERVICE</b>	<b>301 CONSTRUCTIO N &amp; RENOV</b>	<b>302 CAPITAL IMPROVEMENT</b>	<b>306 PUBLIC INFRASTRUCT URE</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	4,576	1,033,177	2,020,041	888,604
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	1,216,550	519,834
320	Licenses and Permits	-	7,233	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	84	81,000	15,457	16,924
Total Revenues:		84	88,233	1,232,006	536,758
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	12,564
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	12,564
Excess (Deficiency) Revenues over Expenditures:		84	88,233	1,232,007	524,194
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	1,000,000	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	18,544	32,500	-
Total Other Increases in Fund Resources:		-	1,018,544	32,500	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	809,713	-	-
591-593, 599	Debt Service	-	-	630,400	-
597	Transfers-Out	-	-	1,482,234	254,399
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	2,953	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		2,953	809,713	2,112,634	254,399
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(2,869)</b>	<b>297,064</b>	<b>(848,127)</b>	<b>269,795</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	1,707	1,330,241	1,171,913	1,158,399
<b>Total Ending Cash and Investments</b>		<b>1,707</b>	<b>1,330,241</b>	<b>1,171,913</b>	<b>1,158,399</b>



**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>308 CONSERVATION FUTURES</b>	<b>401 SOLID WASTE</b>	<b>405 TRI-AREA SEWER</b>	<b>501 EQUIPMENT RENTAL</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	26,546	-	-
30880	Unreserved	747,317	2,634,498	860,135	3,491,213
388 / 588	Prior Period Adjustments, Net	1,116	-	-	-
<b>Revenues</b>					
310	Taxes	261,756	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	462	45,496	-	-
340	Charges for Goods and Services	-	3,530,768	-	2,636,182
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	11,811	56,009	12,869	49
Total Revenues:		274,029	3,632,274	12,869	2,636,231
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	3,074,027	108,493	-
540	Transportation	-	-	-	2,038,125
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	3,074,027	108,493	2,038,125
Excess (Deficiency) Revenues over Expenditures:		274,029	558,246	(95,624)	598,106
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	8,803	254,399	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	64,145	-	-
381, 395, 398	Other Resources	8,919	3,624	-	227,812
Total Other Increases in Fund Resources:		8,919	76,572	254,399	227,812
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	431,921	484,205	-	1,879,400
591-593, 599	Debt Service	-	-	229,143	-
597	Transfers-Out	-	20,274	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	10,182	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		431,921	514,661	229,143	1,879,400
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(148,973)</b>	<b>120,157</b>	<b>(70,368)</b>	<b>(1,053,482)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	20,128	-	-
5088000	Unreserved	599,460	2,761,074	789,767	2,437,731
<b>Total Ending Cash and Investments</b>		<b>599,460</b>	<b>2,781,202</b>	<b>789,767</b>	<b>2,437,731</b>

**Jefferson County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>502 RISK MANAGEMENT RESERVE</b>	<b>505 EMPLOYEE BENEFIT RESERVE</b>	<b>506 INFORMATION SERVICES</b>	<b>507 FACILITIES MANAGEMENT</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	206,249	636,052	1,583,481	651,241
388 / 588	Prior Period Adjustments, Net	-	7,819	75,647	-
<b>Revenues</b>					
310	Taxes	-	-	-	157
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	30,352	227,028	1,814,464	1,074,330
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	12,461	3	848
Total Revenues:		30,352	239,489	1,814,467	1,075,335
<b>Expenditures</b>					
510	General Government	22,029	94,352	1,512,198	1,078,829
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		22,029	94,352	1,512,198	1,078,829
Excess (Deficiency) Revenues over Expenditures:		8,323	145,137	302,269	(3,494)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	77,943	16,596
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	77,943	16,596
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	316,561	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	87,325	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	87,325	316,561	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>8,323</b>	<b>57,812</b>	<b>63,651</b>	<b>13,102</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	214,572	701,683	1,722,780	664,342
<b>Total Ending Cash and Investments</b>		<b>214,572</b>	<b>701,683</b>	<b>1,722,780</b>	<b>664,342</b>

**Jefferson County**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

		<b>Total for All Funds (Memo Only)</b>	<b>Investment Trust</b>	<b>Private-Purpose Trust</b>	<b>Agency</b>
308	Beginning Cash and Investments	107,630,712	124,817	433,113	107,072,782
388 & 588	Prior Period Adjustment, Net	101,470	-	-	101,470
310-390	Additions	231,059,755	2,185	691,039	230,366,531
510-590	Deductions	250,140,253	-	139,501	250,000,752
	Net Increase (Decrease) in Cash and Investments:	(19,080,498)	2,185	551,538	(19,634,221)
508	Ending Cash and Investments	88,651,684	127,002	984,651	87,540,031

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

**Jefferson County**  
**Notes to the Financial Statements**  
**For the year ended 12/31/2018**

**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, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. 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.

#### Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

#### 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.

##### Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust.

##### Investment Trust Funds

These funds are used to report fiduciary activities from the external portion of investment pools and individual investment accounts that are held in trust.

##### Private-Purpose Trust Funds

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

##### Agency Funds

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

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

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

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. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. 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 the value of unused sick leave. Payments are recognized as expenditures when paid

F. Long-Term Debt

See Note 6, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as reserved when 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.

Reservations of Ending Cash and Investments consist of \$879,580.

<b>Fund</b>	<b>Fund Name</b>	<b>Amount</b>	<b>Description</b>
001	General Fund	\$103,716	Federal Forest Title III - grant revenues received in advance for purposes defined by the grantor
125	Hotel/Motel	\$610,722	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	\$116,466	Customer deposits for the CASP (Critical Area Stewardship Program)
401	Solid Waste	\$20,128	Customer Deposits

## **Note 2 – Budget Compliance**

### **A. 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 fund (aka current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

<b>Fund/Department</b>	<b>Final Appropriated</b>	<b>Actual Expenditures</b>	<b>Variance</b>
<b>General Fund:</b>			
Assessor	905,166	889,307	15,859
Auditor	642,290	630,547	11,743
Elections	322,918	291,192	31,726
Clerk	461,266	449,921	11,345
County Administrator	410,759	394,745	16,014
Commissioners	547,175	538,954	8,221
Board of Equalization	24,717	21,555	3,162
Civil Service	2,305	1,748	557
Planning Commission	62,102	48,705	13,397
Public Safety	218,785	214,078	4,707
Community Services	196,580	184,516	12,064
District Court	941,209	926,918	14,291
Juvenile Services	1,043,896	1,021,008	22,888
Prosecutor	1,074,470	1,074,364	106
Coroner	93,526	92,500	1,026
Sheriff	6,273,708	6,263,395	10,313
Superior Court	352,208	352,053	155
Treasurer	482,048	478,536	3,512
Operating Transfers	2,314,314	2,259,314	55,000
Non Departmental	3,971,479	3,912,701	58,778
<b>TOTAL GENERAL FUND</b>	<b>20,340,921</b>	<b>20,046,057</b>	<b>294,864</b>
<b>Other Funds:</b>			
Auditor's O&M	106,200	91,124	15,076
Courthouse Facilitator	5,018	5,013	5

<b>Fund/Department</b>	<b>Final Appropriated</b>	<b>Actual Expenditures</b>	<b>Variance</b>
Boating Safety	48,740	37,194	11,546
Cooperative Extension	555,325	491,052	64,273
4H After School	55,019	40,254	14,765
Jeff Com Capital	259,517	256,443	3,074
Crime Victims	105,107	74,955	30,152
Grants Management	150,000	101,793	48,207
Hotel / Motel	563,689	548,928	14,761
H&HS Site Management	37,000	6,346	30,654
Public Health	4,680,741	4,211,500	469,241
Water Quality *	1,097,601	1,066,972	30,629
Mental Health	44,250	-	44,250
Chemical Depend/Mental	561,398	462,088	99,310
JC Inmate Commissary	21,446	14,292	7,154
JC Drug	19,889	19,843	46
Sheriff Drug Invest	0	-	0
Law Library	13,792	13,508	284
Trial Court Improvement	42,000	39,718	2,282
Public Defense	50,437	-	50,437
Community Development	1,792,752	1,712,468	80,284
JC Affordable Housing	288,643	273,642	15,001
Treasurer's O&M	51,453	31,928	19,525
REET Technology	14,000	14,000	0
Veteran's Relief	119,446	91,494	27,952
Water Pollution Control	7,000	-	7,000
Parks & Recreation	685,186	662,637	22,549
Parks Improvement	168,536	124,291	44,245
Post Harvest Timber	1,500	322	1,178
County Roads	8,841,903	8,537,587	304,316
Facilities	1,150,372	1,078,829	71,543
Flood/Storm Water	3,133	978	2,155
Brinnon Flood Control	2,500	-	2,500
Quilcene Flood Control	60,879	34,157	26,722
County Fair	290,000	278,128	11,872
Construction & Renovation	1,428,251	809,714	618,537
Co Capital Improvement	2,113,634	2,112,634	1,000
Public Infrastructure	509,399	266,963	242,436
Conservation Futures	702,440	431,921	270,519
Solid Waste *	3,774,705	3,600,342	174,363



<b>Fund/Department</b>	<b>Final Appropriated</b>	<b>Actual Expenditures</b>	<b>Variance</b>
Tri Area Sewer	369,481	337,637	31,844
ER&R	4,286,858	3,917,523	369,335
Risk Management Reserve	215,000	22,029	192,971
Employee Benefit Reserve	249,200	181,677	67,523
Information Services	2,538,092	1,828,758	709,334
<b>Total Other Funds</b>	<b>38,081,533</b>	<b>33,830,683</b>	<b>4,250,850</b>

\* Management Funds – these funds manage other funds that are maintained separately for accounting purposes and then rolled into one fund for reporting.

Budgeted amounts are authorized to be transferred between departments within any fund/object classes 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.

### **Note 3 – Deposits and Investments**

It is the County's policy to invest all temporary cash surpluses. The interest on these investments are prorated to various funds.

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 at December 31, 2018 are as follows:

<b>Type of Investment</b>	<b>Funds 001-590 + Treasurer's Cash Jefferson County's Own Investments</b>	<b>Investments Held by Jefferson County as an agent for other local governments, individuals or private organizations</b>	<b>Total</b>
L.G.I.P.	13,605,196	68,650,466	82,255,662
US Government Securities	11,801,290	592,437	12,393,727
Other (CD's Opus)	18,226,848	1,766,743	19,993,591
Total	\$ 43,633,334	\$ 71,009,646	\$ 114,642,980

Securities Lending Transactions - None

Derivatives - None

Compensating Balances - None

#### **Note 4 - 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 2018 was \$1.5579 per \$1,000 on an assessed valuation of \$5,111,357,748 for a total regular levy of \$7,963,083.

The county is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The county's road levy for 2018 was \$1.2403 per \$1,000 on an assessed valuation of \$3,582,799,369 for a total road levy of \$4,443,758.

Of the \$4,443,758 road levy, the County diverted \$720,000 to General Fund per RCW 84.52.043 (1) (d).

#### **Note 5 - Interfund Loans**

The following table displays interfund loan activity during 2018:

<b><u>Borrowing Fund</u></b>	<b><u>Lending Fund</u></b>	<b><u>Balance 1/1/2018</u></b>	<b><u>New Loans</u></b>	<b><u>Repayments</u></b>	<b><u>Balance 12/31/2018</u></b>
County Roads	Capital Improvement	\$617,500	\$0	\$32,500	\$585,000
<b>TOTALS</b>		<b>\$617,500</b>	<b>\$0</b>	<b>\$32,500</b>	<b>\$585,000</b>

#### **Note 6 – Debt Service Requirements**

##### **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, 2018.

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	589,099	127,839	716,938
2020	604,241	106,747	710,988
2021	677,874	84,358	762,232
2022	430,785	69,037	499,822
2023	442,332	62,498	504,830
2024-2028	1,986,448	195,498	2,181,946
2029-2033	808,992	42,460	851,452
2034-2046	751,380	26,298	777,678
<b>Total</b>	<b>6,291,150</b>	<b>714,736</b>	<b>7,005,886</b>

Debt Refunding - NONE

Debt Guarantees - NONE

### **Note 7 – OPEB Plans**

The County has a commitment to pay for post-employment benefits, a defined benefit plan, for employees that belong to LEOFF1. Agencies served by the plan administrators, Jefferson County and City of Port Townsend Disability Board, are the Jefferson County Sheriff's Office, Port Townsend Police Department and the Port Townsend Fire Department following the rules, policies and procedures adopted October 10, 2017.

Six (6) County retirees received benefits during 2018, totaling \$41,015.82. The approved benefits include the following:

- Long Term Care (Homemaker Services, Home Health Aide Services, Adult Day Health Care, Assisted Living Facility, Nursing Home Care)
- Psychological counseling and/or substance abuse and chiropractic services requiring consecutive treatment are subject to provisions
- Vision benefits
- Medical equipment and supplies (durable medical equipment, hearing aids)
- Dental benefits (dental, denture, orthodontic)
- Weight loss programs
- Smoking cessation program/patches.
- Medical marijuana (under the care of a Health care professional)

### **Note 8 – 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](http://www.drs.wa.gov).

As of June 30, 2018 (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:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 665,875	0.099619%	\$ 4,449,018
PERS 2/3	\$ 879,230	0.113947%	\$ 1,945,544
PSERS 2	\$ 80,606	0.305220%	\$ 3,782
LEOFF 1	-	0.013754%	\$ (249,704)
LEOFF 2	\$ 110,048	0.063462%	\$(1,288,417)
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

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

C. Defined Contribution Pension Plans – Not Applicable

#### **Note 9– 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, 2018, 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 2018, 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 2017-18, the “corridor” increased the SIR to \$2 million, with an aggregated stop loss of \$4.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

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

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

During 2017-18, 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 2017-18, the WCRP's assets increased slightly to \$51.5 million while its liabilities increased slightly to \$31.5 million. The Pool's net position increased slightly from \$18.1 million to \$19.8 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, 2018 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

## **Note 10 - Other Disclosures**

### **A. Contingencies and Litigations**

The Jefferson County Prosecuting Attorney's Office (JCPAO) interprets the "material or significant" threshold in for disclosure to be limited to matters involving amounts over \$50,000 individually or in aggregate.

This note covers the period January 1, 2018 to April 24, 2019.

JCPAO's response is consistent with the standards of professional responsibility applicable to attorneys, including the American Bar Association's Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (2003).

1. *OPNET, et al, v. Real Property of Stephen Fager, et al, Jefferson County Superior Court Case No.: No. 09-2-00413-6, Court of Appeals Case No. 75635-4-I, Supreme Court Case No. 95013-0.*
  - a. This matter is a civil forfeiture matter filed by the Olympic Peninsula Narcotics Task Force (OPNET), of which Jefferson County was a member. OPNET sought require civil forfeiture of real property owned by Stephen Fager and allegedly others. In a related criminal action, Fager his co-defendants obtained an order suppressing the warrant obtained by OPNET. The order suppressing evidence in the criminal case had the effect of proving one of the elements of the civil forfeiture claim very difficult, so OPNET dismissed the civil case. Fager and his co-defendants sought attorney's fees in the civil forfeiture case.

- b. On September 6, 2018 the Washington Supreme Court held 6/3 that that fees incurred in the criminal case to suppress the warrant were recoverable against OPNET in the civil forfeiture case. The total fees awarded were \$234,452.36. Fager will claim that the obligation to pay the attorney's fees is joint and several. Along with Jefferson County, there were 5 other members of OPNET at the time the lawsuit was filed. As of April 24, 2019, no final judgment has been entered. But Jefferson County expects it will be required to pay a 1/5 share of the attorney's fees award, \$46,886.51. Because one of the 6 OPNET members is a federal agency and Congress has not appropriated funds to pay the judgment, only 5 of the 6 OPNET members have agreed to pay toward the judgment.
  - c. The Washington Counties Risk Pool has accepted coverage for this matter. Jefferson County previously incurred an amount in excess of its \$10,000 self-insured retention for costs of defense, so Jefferson County expects to pay no share of the attorney's fee award.
- 2. Harvey v. Jefferson County, Jefferson County Superior Court, Case No.: 17-2-00216-16.
  - a. This matter was a Public Records Act case filed against Jefferson County in the Superior Court for Jefferson County.
  - b. On March 18, 2018, the lawsuit was settled without Jefferson County admitting liability. Jefferson County paid \$50,000 in settlement of all claims. The lawsuit was dismissed with prejudice.
- 3. D'Amico v. Jefferson County, Clallam County Superior Court, Case No. 18-2-00584-05.  
This is a public records case filed June 21, 2018. The Washington Counties Risk Pool does not provide coverage for claims under the Public Records Act.
  - a. Numerous public records were provided to the plaintiff. However, a number of the records were redacted. Plaintiff claims for the redactions, public records act violations for failing to cite the correct exemption and failure to provide a proper brief explanation. Plaintiff makes the novel claim that each *violation* can result in a \$100 per day per violation penalty. Plaintiff's theory is contrary to the law which clearly states that a court can only award penalties for *withholding records*.
  - b. Jefferson County admits it made mistakes in responding to the public records request that will result in some liability under the Public Records Act, including reasonable attorney's fees for Jefferson County's non-compliance. At this point, it is not possible for the JCPAO to assess whether the attorney's fee claim alone will exceed \$50,000. But that is possible, as the Plaintiff's counsel has advised Jefferson County that Plaintiff does not intend to settle the case.
  - c. Revised Potential Analysis: In addition to attorney's fees, Jefferson County may be exposed to a penalty from zero to \$100 per day per withheld record. The JCPAO estimates that the estimated range of the possible penalty would be approximately \$0 - \$4,672,000. Jefferson County has applicable defenses that would significantly reduce the maximum exposure.



- d. The penalty question will be decided by the superior court. If Plaintiff is true to Plaintiff's counsel's statements, there likely will be an appeal of that decision. Accordingly, it is highly unlikely this matter will be resolved during 2019.

4. Michael Stringer v. Jefferson County, Settlement through Mediation

- a. Mr. Stringer made two claims directed at the Jefferson County Sheriff's Office, a claim of hostile work place at and a whistleblower claim based on money from U.S. Border Patrol grants allegedly not used to support the U.S. Border Patrol operations. Prior to the mediation, an investigation by an outside investigator hired through an attorney hired to defend Jefferson County by the Washington Counties Risk Pool determined that the claims lacked merit.
- b. On November 14, 2018, the matter was settled without litigation by the Washington Counties Risk Pool for \$40,000, after it was determined that the cost of defending a lawsuit likely would exceed that amount. Jefferson County previously had expended \$21,846 on legal fees and independent investigation costs toward its self-insured retention of \$25,000 under its contract with the Washington Counties Risk Pool, so Jefferson County's share of the settlement amount was \$3,153.75.

**B. Component Units or Joint Ventures**

JeffCom became a separate entity from the County in 2012. The County has financial responsibility for two JeffCom bonds as identified on Schedule 9: 1) LTGO Rfg 2016A- JeffCom, 2) LTGO Bond 2011 JeffCom RMS, 3) LTGO Refg 2016B – E911. The outstanding debt is \$2,243,999. The debt is an obligation of the County. Sales Tax collected for emergency communications pays the debt per an Interlocal Agreement Regarding Revenue to Service Bonded Indebtedness for JeffCom, recorded AFN 568349.

**C. Construction Commitment**

The County has active construction projects as of December 31, 2018. At year-end the district's commitments with contracts are as follows:

Project	Spent to Date	Remaining Commitment
18019341 – Salmon Creek Bridge	\$900,784	\$65,176
17520360 – Community Center Fence	\$34,533	\$34,533
40119820 – Quilcene Solid Waste Site	\$167,871	\$8,071
30118900 – Castle Hill Parking Lot Improvement	\$63,407	\$170,000

**D. Pollution Remediation**

The old Quilcene Road Shop site at 101 Rodgers Street is on Ecology's Hazardous Sites List as the result



of a leaking underground diesel storage tank that has since been removed. The tanks and a significant amount of contaminated soil and groundwater were removed and remediated in 1993 by PESCO and AGI; however, contamination remained along the south fence line, and no off-site characterization was performed to determine its extent. Samples taken along the north wall of the excavation (very close to the south wall of the shop building) were below cleanup levels; however, no sampling was performed under the building. Samples taken in 1993 at a private water well 320 feet southeast of the site (70 Fremont Ave.) did not detect any contamination.

In 2014, Ecology assigned the site a hazard ranking of 3 on a scale of 1 to 5. Subsequent discussions with Ecology indicated that there are over 6,000 sites statewide and that Ecology is focusing cleanup efforts on sites ranked as 1 and 2. It could be a number of years before any further action is required at this site. Ecology has a Voluntary Cleanup Program (VCP) which helps landowners through the process to get to a “No Further Action” (NFA) finding, and may have reimbursable grants to help offset costs. Grant funds are typically not available until after NFA status is achieved. Landowners typically enter the VCP in order to enable a sale of property. Responsibility for contamination remains with the original owner of the tanks and is not transferred to new owners. Financing is difficult to obtain on a site that has known contaminants. The County may want to consider entering the VCP at some point; however, there is no current requirement to take any action at this site, and the County is not pursuing this option.

#### **E. Other Accounting Disclosures**

1. The following funds have been deactivated by resolutions due to inactivity:

Fund 177	Special Projects Fund, Res 67-18
Fund 304	HJ Carroll Fund, Res 69-18
Fund 629	Animal Services Donation Trust Fund, Res 69-18
Fund 630	Animal Services Operations and Maintenance Trust Fund, Res 69-18

2. Fund 129 WQ Land Acquisitions Fund was created by Resolution 33-18 to track grant funds for land acquisitions and is managed and reported in Fund 128 Water Quality.

3. **Beginning Balance Corrections**

The following corrections have been made to Beginning Balances and are therefore difference that 2017 Annual Report Ending Balances:

<b>FUND</b>	<b>DESC</b>	<b>Corrected Amount</b>	<b>New Beginning Balance</b>	<b>Explanation</b>
001	General Fund	(\$56,644)	\$4,384,353	Fund 160 was rolled into Fund 001 General Fund with the Cash Balance in 2017 instead of the fund balance.
001 624	General Fund JC Revolving Accounts	\$1,313 (\$1,313)	Incl above \$156,131	Fund 624 reported \$157,444 as fiduciary. The DOL Revolving account contained \$2,017 that was reported as Fund 624 and the CPL Revolving reported \$704 as fiduciary. The net difference is \$1,313; this resulted in a correction to the General Fund and Fund 624.

<b>FUND</b>	<b>DESC</b>	<b>Corrected Amount</b>	<b>New Beginning Balance</b>	<b>Explanation</b>
127	Public Health	Less \$28,548	\$1,040,837	Fund reported reserved amount as reserved and as unreserved, therefore duplicated.
507	Facilities Management	Less \$7	\$651,241	Doesn't go back to a specific date. This is simply to report it correctly going forward.
204	Debt Service	Less \$13	\$4,576	Fund 204 reported \$13 twice in the 2017 Annual Report, no correction to the general ledger.

4. The following funds on the C5 have been merged into the fund that maintains control:
- Fund 656 Fire District #1 includes Fund 657 Fire #1 EMS
  - Fund 658 Fire District #2 includes Fund 689 Fire #2 EMS
  - Fund 659 Fire District #3 includes Fund 660 Fire #3 EMS and Fund 665 Fire #3 Capital
  - Fund 661 Fire District #4 includes Fund 664 Fire #4 EMS
  - Fund 662 Fire District #5 includes Fund 663 Fire #5 EMS
  - Fund 671 JeffCom General includes Fund 672 JeffCom Capital
  - Fund 690 Transit includes Fund 691 Transit Capital

The following C5 funds have a corrected beginning balance:

- Fund 658 Fire District #2 has a corrected balance \$1,143,724, less \$884.
- Fund 662 Fire District #5 has a corrected balance, \$535,502, less \$1,649.
- Fund 671 JeffCom General has a corrected balance, \$445,912, less \$15,872.

5. Interfund Activity Difference for 397/597

This was originally reported in the 2017 Annual Report Notes as a revenue/expenditure transaction that straddled 2017 and 2018. The transaction amount \$92,906 for Fund 180 Roads revenue receipt (397) is reported in this 2018 Annual Report without the preceding transfer out (597) from Fund 306 Public Infrastructure. Due to the actual receipt of funds in Fund 306 in the 2017 Annual Report, this had to remain as a transfer of funds.

6. Prior Period Corrections

Summary:	C-4 Prior Period Corrections	\$16,256
	C-5 Prior Period Corrections	\$101,469

- a. The Treasurer discovered State PILT funds that should have been distributed to Special Taxing Districts for 2015 through 2017. This was disclosed in the 2017 Annual Report Notes. Below are the corrections by fund:

**PILT Distribution Detail, 2015-2017 Correction**

<b>FUND</b>	<b>FUND NUMBER</b>	<b>2018 Correction</b>
COUNTY CURRENT EXPENSE	001250000	(132,987.83)
DEVELOPMENTAL DISABILITIES	127000010	214.17

<b>FUND</b>	<b>FUND NUMBER</b>	<b>2018 Correction</b>
MENTAL HEALTH	130000010	214.17
VETERANS RELIEF	155000010	216.88
CONSERVATION FUTURES	308000010	1,115.99
COUNTY ROADS	180000010	24,751.08
COUNTY ROADS TO CUR EXP	001250000	5,006.44
PORT OF PT GENERAL	679000010	4,661.70
PUD #1 GENERAL	680001015	2,521.92
HOSP DIST #1 GENERAL	674001010	2,278.07
HOSP DIST #2 GENERAL	675002120	766.44
HOSP DIST #2 GO BOND 2004 N/V	675002023	1,050.97
SCHOOL DIST #20 M & O	682020010	4,263.22
SCHOOL DIST #402 BOND	688402020	297.51
SCHOOL DIST #402 M & O	688402010	197.07
SCHOOL DIST #48 BOND 1998	684048042	8,823.20
SCHOOL DIST #48 M & O	684048010	28,719.16
SCHOOL DIST #49 CAP PROJ	685049030	1,478.35
SCHOOL DIST #49 M & O	685049010	3,368.80
FIRE DIST #2 GENERAL	658002010	24,770.85
FIRE DIST #2 EMS	689002100	4,025.84
CEMETERY DIST #2 GENERAL	653002010	706.71
PARK & REC DIST #1 GENERAL	670001010	1,991.69

***NOXIOUS WEED ASSESSMENT***

NOXIOUS WEED	108000010	220.29
COUNTY CURRENT EXPENSE	001250000	(220.29)

b. Additional Prior Period Transactions

FUND NAME	FUND	AMOUNT	REASON
GENERAL FUND	001	6,817	L&I Stay at Work Program Reimbursement
GENERAL FUND	001	15,361	Risk Pool Reimbursement of Lexipol policy subscription.
GENERAL FUND	001	1,146	Jail Medical collected to reimburse medical paid.
GENERAL FUND	001	(4,621)	Deposit in Pros Attorney that belonged to Fund 120 Crime Victims
GENERAL FUND	001	(4,361)	Courts returned funds not used funds to Fund 131 per Resolution.
GENERAL FUND	001	(551)	Leave Payout Deposited to wrong fund
COOPERATIVE EXTENSION	108	1,364	Reimbursement for 2016 Universal Service Fund
COOPERATIVE EXTENSION	108	3,400	Security Deposit for Lease returned
COOPERATIVE EXTENSION	108	747	Overpayment reimbursed.
CRIME VICTIMS	120	4,621	Deposit in Pros Attorney that belonged to Fund 120 Crime Victims
PUBLIC HEALTH	127	5,976	Reimbursement for immunizations that were returned.
CHEMICAL DEPENDENCY	131	4,361	Courts returned funds not used per Resolution.
EMPLOYEE BENEFIT RESERVE	505	7,268	Retro Pool 3 <sup>rd</sup> Qtr 2017 Adjustment
EMPLOYEE BENEFIT RESERVE	505	551	Leave Payout Correction
INFORMATION SERVICES	506	964	Reimbursement for scanner purchased for District Court
INFORMATION SERVICES	506	74,683	GIS Upgrade reimbursement

7. The County has been working with the Jefferson County Fair Board to resolve the 2017 Annual Report State Auditor's Exit Recommendation.

**Jefferson County**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2018**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
263.61	Castle Hill Propety	12/1/2021	902,820	-	206,418	696,402
263.81	PW Trust Fund Loan	6/1/2046	1,676,155	-	57,798	1,618,357
263.83	Working Advance Funding from DSHS	6/30/2019	28,548	-	-	28,548
263.87	RID PW Trust Fund Loan	7/1/2020	78,948	-	26,316	52,632
251.11	LTGO Bond 2011 JeffCom RMS	12/1/2018	50,000	-	50,000	-
251.11	LTGO Bond 2011 DPW	12/1/2018	360,000	-	360,000	-
251.11	LTGO Bond 2011 Tri Area	12/1/2026	300,000	-	100,000	200,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>3,396,471</b>	<b>-</b>	<b>800,532</b>	<b>2,595,939</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
252.11	LTGO Rfg 2016A-Jeffcom	12/1/2026	1,417,806	-	148,045	1,269,761
252.11	LTGO Refg 2016B - RTRI Area	12/1/2030	1,501,470	-	21,708	1,479,762
252.11	LTGO Refg 2016B - E911	12/1/2030	988,530	-	14,292	974,238
259.12	Compensated Absences		847,209	18,591	-	865,800
264.30	Net Pension Liability		8,795,742	-	2,397,398	6,398,344
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>13,550,757</b>	<b>18,591</b>	<b>2,581,443</b>	<b>10,987,905</b>
<b>Total Liabilities:</b>			<b>16,947,228</b>	<b>18,591</b>	<b>3,381,975</b>	<b>13,583,844</b>

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Passed through to Subrecipients	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18247	115,112	-	-	3
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	CLH18247	500	-	-	3
<b>Forest Service Schools and Roads Cluster</b>							
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via Federal Forest Yield- Schools & Roads)	Schools and Roads - Grants to States	10.665	N/A	396,848	-	-	
<b>Total Forest Service Schools and Roads Cluster:</b>				<b>396,848</b>	<b>-</b>	<b>-</b>	
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA Recreation & Conservation Office)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	13-1221C	3,193	-	-	3
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA state Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	17-62210-007	67,943	-	65,347	5
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA state Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	18-62210-007	41,737	-	40,026	5

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

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
			<b>Total CFDA 14.228:</b>	<b>109,680</b>	-	<b>109,680</b>	105,373
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via U.S. Dept of Interior ( Fish & Wildlife Service))	Fish and Wildlife Management Assistance	15.608	F15AC00422	91,945	-	91,945	-
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via U.S. Dept of Interior ( Fish & Wildlife Service))	Fish and Wildlife Management Assistance	15.608	F18AP00718	26,000	-	26,000	-
			<b>Total CFDA 15.608:</b>	<b>117,945</b>	-	<b>117,945</b>	-
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Dept of Justice Office for Victims of Crimes)	Crime Victim Assistance	16.575	19-31101-514	5,766	-	5,766	-
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Dept of Justice Office for Victims of Crimes)	Crime Victim Assistance	16.575	S18-31102-514	21,218	-	21,218	-
			<b>Total CFDA 16.575:</b>	<b>26,983</b>	-	<b>26,983</b>	-
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA State Dept. of Commerce Crime Victims Advocacy)	Violence Against Women Formula Grants	16.588	F17-31103-071	15,194	-	15,194	-

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

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

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		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Department of Justice)	Bulletproof Vest Partnership Program	16.607	BVP FY17	4,189	-	4,189	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Department of Justice)	Bulletproof Vest Partnership Program	16.607	BVP FY17	4,189	-	4,189	-	
<b>Total CFDA 16.607:</b>				<b>8,378</b>	<b>-</b>	<b>8,378</b>	<b>-</b>	
<b>Highway Planning and Construction Cluster</b>								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA6612	95,445	-	95,445	-	9
<b>Total Highway Planning and Construction Cluster:</b>				<b>95,445</b>	<b>-</b>	<b>95,445</b>	<b>-</b>	
<b>Highway Safety Cluster</b>								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	N/A	1,861	-	1,861	-	
<b>Total Highway Safety Cluster:</b>				<b>1,861</b>	<b>-</b>	<b>1,861</b>	<b>-</b>	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	SEANWS-2017- JeCoWS-00003	33,808	-	33,808	-	

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



**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Expenditures				Passed through to Subrecipients	Note
			Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	2017-2-Jeffco	4,670	-	4,670	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	C-17104	4,979	-	4,979	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	18-10502	19,865	-	19,865	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington Department of Fish and Wildlife)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	N22515	16,876	-	16,876	-	3
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Hood Canal Coordinating Council)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18247	10,200	-	10,200	-	3
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.472	CLH18247	2,000	-	2,000	-	3
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Health)	Beach Monitoring and Notification Program Implementation Grants							
<b>Total CFDA 66.123:</b>			<b>90,397</b>	<b>90,397</b>	<b>-</b>	<b>90,397</b>	<b>-</b>	

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

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

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, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Public Health Emergency Preparedness	93.069	CLH18247	30,204	-	30,204	-	3
OFFICE OF POPULATION AFFAIRS, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Family Planning Services	93.217	CLH18247	29,255	-	29,255	-	3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Immunization Cooperative Agreements	93.268	CLH18247	7,555	-	7,555	-	3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Immunization Cooperative Agreements	93.268	N/A	20,941	-	20,941	-	4
<b>Total CFDA 93.268:</b>				<b>28,497</b>	<b>-</b>	<b>28,497</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health Seattle & King County)	Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	2087 CDIP	508	-	508	-	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, 2018**

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, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health Seattle & King County)	Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	3317 CDIP	454	-	454	-	3
		Total CFDA 93.283:			962	-	962	-
		93.563	75-1501-0-1- 609	27,674	-	27,674	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social & Health Services)	Child Support Enforcement	93.563	2110-80384	5,499	-	5,499	-	
		Total CFDA 93.563:			33,173	-	33,173	-
		93.757	1731	29,406	-	29,406	-	3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health Kitsap County)	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	1731	29,406	-	29,406	-	
		Total CFDA 93.757:			34,385	-	34,385	-
		93.758	KPHD 1709	4,979	-	4,979	-	3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health Kitsap County)	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	KPHD 1709	4,979	-	4,979	-	
		Total CFDA 93.758:			34,385	-	34,385	-
		93.758	KPHD 1709	4,979	-	4,979	-	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, 2018**

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, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health Kitsap County)	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	KPHD 1849	4,271	-	4,271	-	3
<b>Total CFDA 93.758:</b>				<b>9,249</b>	<b>-</b>	<b>9,249</b>	<b>-</b>	
<b>Medicaid Cluster</b>								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K1404	59,923	-	59,923	-	3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K1404	13,000	-	13,000	-	3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K1404	1,000	-	1,000	-	3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K1404	1,000	-	1,000	-	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, 2018**

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 MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K1404	1,000	-	1,000	-	3
<b>Total Medicaid Cluster:</b>				<b>75,923</b>	<b>-</b>	<b>75,923</b>	<b>-</b>	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social & Health Services)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94255	40,993	-	40,993	-	3
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social & Health Services)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94255	14,725	-	14,725	-	3
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social & Health Services)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94255-01	26,440	-	26,440	-	3
<b>Total CFDA 93.959:</b>				<b>82,158</b>	<b>-</b>	<b>82,158</b>	<b>-</b>	

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

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

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		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18247	36,701	-	36,701	-	3
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	3318FAS18015 3	16,844	-	16,844	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637 ,PW- 127	224,682	-	224,682	-	7
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637 ,PW- 113	18,404	-	18,404	-	6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637 ,PW- 160	11,217	-	11,217	-	8
<b>Total CFDA 97.036:</b>				<b>254,303</b>	<b>-</b>	<b>254,303</b>	<b>-</b>	

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

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

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, HOMELAND SECURITY, DEPARTMENT OF (via Department of Homeland Security (via Dept. of Homeland Security ))	Emergency Management Performance Grants	97.042	E18-075	17,209	-	17,209	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Department of Homeland Security (via Dept. of Homeland Security ))	Homeland Security Grant Program	97.067	E18-151	10,349	-	10,349	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Department of Homeland Security (via State Homeland Security))	Homeland Security Grant Program	97.067	E17-063	28,512	-	28,512	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Department of Homeland Security (via State Homeland Security))	Homeland Security Grant Program	97.067	E17-171	36,670	-	36,670	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Department of Homeland Security (via State Homeland Security))	Homeland Security Grant Program	97.067	E18-176	51,094	-	51,094	-	

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

**Jefferson County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2018**

Federal Agency (Pass-Through Agency)	Federal Program	Expenditures				Passed through to Subrecipients	Note
		CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	
		Total CFDA 97.067:		126,624	-	126,624	-
		Total Federal Awards Expended:		1,754,046	-	1,754,046	105,373



JEFFERSON COUNTY, WASHINGTON

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2018**

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 States 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 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The amount expended includes \$94,754.88 claimed as an indirect cost recovery using approved indirect cost rates of between 8 percent and 33.62 percent.

Note 4 – Noncash Awards

The amount of vaccine reported on the Schedule is the value of \$ 20,941.26 vaccine received by Jefferson County during current year and priced as prescribed by Washington State Childhood Vaccine.

Note 5 – Amount Awarded to Subrecipients

Included in the total amount expended for this program is \$105,373 that was passed through to a subrecipient that administered its own project.

Note 6 – \$ 18,404.15 Expenses incurred in 2016. Additional funding made available December 2018 at project closeout.

Note 7 – \$224,681.67 Expenses incurred in 2016 & 2017 determined eligible for FEMA funding in 2018.

Note 8 – \$10,482.06 Expenses incurred in 2017. Retroactive FEMA Small Project funding agreement not awarded until September 2018.

Note 9 – \$77,689.31 PE Expenses incurred June 1, 2015-June 30, 2017 became eligible for funding at project closeout.

## 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.

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