



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Grays Harbor County

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

Published September 16, 2019

Report No. 1024519





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

September 16, 2019

Board of Commissioners
Grays Harbor County
Montesano, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Grays Harbor County January 1, 2018 through December 31, 2018

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

We issued an unmodified opinion on the fair presentation of the County’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation 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 its major federal program.

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 program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

| <u>CFDA No.</u> | <u>Program or Cluster Title</u> |
|-----------------|---|
| 20.205 | Highway Planning and Construction Cluster – Highway Planning and Construction |

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Grays Harbor County
January 1, 2018 through December 31, 2018**

Board of Commissioners
Grays Harbor County
Montesano, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Grays Harbor County, as of and for the year ended December 31, 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 3, 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 3, 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**

**Grays Harbor County
January 1, 2018 through December 31, 2018**

Board of Commissioners
Grays Harbor County
Montesano, Washington

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

We have audited the compliance of Grays Harbor County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 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 3, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Grays Harbor County January 1, 2018 through December 31, 2018

Board of Commissioners
Grays Harbor County
Montesano, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Grays Harbor County, for the year ended December 31, 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, Grays Harbor County has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of Grays Harbor 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 Grays Harbor 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 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 3, 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.

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy

State Auditor

Olympia, WA

September 3, 2019

FINANCIAL SECTION

Grays Harbor 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

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

| | | Total for All Funds (Memo Only) | 001 General Fund | 101 Special Projects | 102 Auditor's M&O |
|---|-------------------------------------|--|-----------------------------|---------------------------------|----------------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 33,550,220 | - | 258,408 | 417,422 |
| 30880 | Unreserved | 6,756,015 | 5,722,832 | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 32,110,990 | 16,271,856 | - | - |
| 320 | Licenses and Permits | 1,465,562 | 1,456,467 | - | - |
| 330 | Intergovernmental Revenues | 17,637,367 | 4,213,233 | 210,375 | 57,891 |
| 340 | Charges for Goods and Services | 14,876,778 | 3,425,697 | - | 57,616 |
| 350 | Fines and Penalties | 1,752,958 | 1,724,505 | - | - |
| 360 | Miscellaneous Revenues | 2,699,503 | 1,437,188 | 3,500 | 57 |
| Total Revenues: | | 70,543,157 | 28,528,946 | 213,875 | 115,564 |
| Expenditures | | | | | |
| 510 | General Government | 16,561,536 | 12,516,607 | - | 83,458 |
| 520 | Public Safety | 16,939,948 | 15,025,742 | 75,869 | - |
| 530 | Utilities | 2,899,333 | - | - | - |
| 540 | Transportation | 13,789,726 | - | - | - |
| 550 | Natural and Economic Environment | 3,232,338 | 515,821 | 62,871 | - |
| 560 | Social Services | 6,475,047 | 1,014,100 | - | - |
| 570 | Culture and Recreation | 1,301,237 | 214,972 | 148,265 | - |
| Total Expenditures: | | 61,199,165 | 29,287,242 | 287,005 | 83,458 |
| Excess (Deficiency) Revenues over Expenditures: | | 9,343,993 | (758,296) | (73,130) | 32,106 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 6,148,410 | 1,678,309 | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | 236 | - | - | - |
| 381, 395, 398 | Other Resources | 5,074,697 | 1,039,660 | - | - |
| Total Other Increases in Fund Resources: | | 11,223,344 | 2,717,969 | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 9,383,323 | 46,606 | - | 140,549 |
| 591-593, 599 | Debt Service | 1,586,389 | - | - | - |
| 597 | Transfers-Out | 6,148,410 | 1,627,292 | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | 246 | - | - | - |
| 581 | Other Uses | 349,615 | 100,000 | - | - |
| Total Other Decreases in Fund Resources: | | 17,467,984 | 1,773,898 | - | 140,549 |
| Increase (Decrease) in Cash and Investments: | | 3,099,354 | 185,775 | (73,130) | (108,443) |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 35,806,059 | - | 185,277 | 308,979 |
| 5088000 | Unreserved | 7,599,527 | 5,908,609 | - | - |
| Total Ending Cash and Investments | | 43,405,586 | 5,908,609 | 185,277 | 308,979 |

The accompanying notes are an integral part of this statement.

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

| | | 103 Fairgrounds & Events | 104 Trial Court Improvement | 105 Paths & Trails | 106 Law Library |
|---|-------------------------------------|---|--|-----------------------------------|------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 17,106 | 98,658 | 49,588 | 38,949 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 38,609 | - | 12,166 | - |
| 340 | Charges for Goods and Services | 307,240 | 46,403 | - | 38,512 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 395,822 | - | 455 | - |
| Total Revenues: | | 741,671 | 46,403 | 12,621 | 38,512 |
| Expenditures | | | | | |
| 510 | General Government | - | 44,597 | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | 223,388 | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | 854,371 | - | - | 22,543 |
| Total Expenditures: | | 1,077,760 | 44,597 | - | 22,543 |
| Excess (Deficiency) Revenues over Expenditures: | | (336,088) | 1,806 | 12,621 | 15,969 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 339,246 | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | 100,000 | - | - | - |
| Total Other Increases in Fund Resources: | | 439,246 | - | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | 22,095 | - | - |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | 100,000 | - | - | - |
| Total Other Decreases in Fund Resources: | | 100,000 | 22,095 | - | - |
| Increase (Decrease) in Cash and Investments: | | 3,158 | (20,289) | 12,621 | 15,969 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 20,263 | 78,368 | 62,209 | 54,918 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 20,263 | 78,368 | 62,209 | 54,918 |

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

| | | 107 Affordable Housing | 108 Sheriff's Law Enforcement | 109 Crime Victim | 110 Roads |
|---|-------------------------------------|-----------------------------------|--|-----------------------------|------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 784,102 | 110,508 | 30,371 | 5,627,222 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | 7,335,282 |
| 320 | Licenses and Permits | - | - | - | 2,350 |
| 330 | Intergovernmental Revenues | - | 16,870 | 62,569 | 8,478,209 |
| 340 | Charges for Goods and Services | 94,314 | - | 56,222 | 146,893 |
| 350 | Fines and Penalties | - | - | 15,292 | - |
| 360 | Miscellaneous Revenues | 6,834 | 31,075 | - | 97,946 |
| Total Revenues: | | 101,148 | 47,945 | 134,083 | 16,060,680 |
| Expenditures | | | | | |
| 510 | General Government | - | - | 102,807 | - |
| 520 | Public Safety | - | 17,285 | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | 10,937,775 |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | 17,285 | 102,807 | 10,937,775 |
| Excess (Deficiency) Revenues over Expenditures: | | 101,148 | 30,660 | 31,276 | 5,122,905 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | 0 | - |
| 381, 395, 398 | Other Resources | - | - | - | 1,217,468 |
| Total Other Increases in Fund Resources: | | - | - | 0 | 1,217,468 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | 6,095,949 |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | - | - | 8,643 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | - | - | 6,104,592 |
| Increase (Decrease) in Cash and Investments: | | 101,148 | 30,660 | 31,276 | 235,781 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 885,251 | 141,169 | 61,646 | 5,863,002 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 885,251 | 141,169 | 61,646 | 5,863,002 |

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

| | | 111 Treasurer's M&O | 112 Stadium/Tourism | 113 GH Raceway | 114 Veterans Relief |
|---|-------------------------------------|------------------------------------|--------------------------------|---------------------------|--------------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 183,694 | 1,992,601 | 783 | 128,436 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 123,050 | 1,804,403 | - | 1,860 |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | 507 |
| 340 | Charges for Goods and Services | 86,145 | - | 2,276 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | 9,897 | 24,019 | 0 |
| Total Revenues: | | 209,195 | 1,814,300 | 26,295 | 2,367 |
| Expenditures | | | | | |
| 510 | General Government | 163,846 | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | 773,193 | - | - |
| 560 | Social Services | - | - | - | 17,247 |
| 570 | Culture and Recreation | - | - | 18,044 | - |
| Total Expenditures: | | 163,846 | 773,193 | 18,044 | 17,247 |
| Excess (Deficiency) Revenues over Expenditures: | | 45,349 | 1,041,107 | 8,251 | (14,880) |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | 5,000 | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | 202 |
| Total Other Increases in Fund Resources: | | - | - | 5,000 | 202 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | 50,469 | - | - |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | 639,837 | - | 11,977 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | 690,307 | - | 11,977 |
| Increase (Decrease) in Cash and Investments: | | 45,349 | 350,800 | 13,251 | (26,655) |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 229,043 | 2,343,402 | 14,034 | 101,781 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 229,043 | 2,343,402 | 14,034 | 101,781 |

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

| | | 116 Election Reserve | 117 Aberdeen Landfill Postclosure | 118 ORV Park | 129 Public Health & Social Services |
|---|-------------------------------------|---------------------------------|--|---------------------|--|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 208,819 | 904,394 | 24,535 | 804,108 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | 5,745 |
| 330 | Intergovernmental Revenues | 2,688 | - | - | 2,134,716 |
| 340 | Charges for Goods and Services | 94,080 | - | - | 389,552 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 189 | 18,648 | 23,137 | 19,089 |
| Total Revenues: | | 96,957 | 18,648 | 23,137 | 2,549,102 |
| Expenditures | | | | | |
| 510 | General Government | 6,415 | - | - | 752,660 |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | 116,385 | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | 2,757,946 |
| 570 | Culture and Recreation | - | - | 43,042 | - |
| Total Expenditures: | | 6,415 | 116,385 | 43,042 | 3,510,606 |
| Excess (Deficiency) Revenues over Expenditures: | | 90,542 | (97,737) | (19,905) | (961,504) |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | 30,000 | 1,213,728 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | 149,615 | - | - |
| Total Other Increases in Fund Resources: | | - | 149,615 | 30,000 | 1,213,728 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 165,932 | - | - | - |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 165,932 | - | - | - |
| Increase (Decrease) in Cash and Investments: | | (75,390) | 51,878 | 10,095 | 252,224 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 133,428 | 956,272 | 34,630 | 1,056,332 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 133,428 | 956,272 | 34,630 | 1,056,332 |

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

| | | 130 Real Estate Excise Tax Technology | 131 Tax Refund | 132 Excise/ Revaluation M&O | 135 Emergency Communication Tax |
|---|-------------------------------------|--|-----------------------|--|--|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 128,450 | 14,284 | 55,694 | - |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | 1,820,209 |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 1,176 | - | 11,189 | - |
| 340 | Charges for Goods and Services | - | - | 11,860 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | - | - | 843 |
| Total Revenues: | | 1,176 | - | 23,049 | 1,821,052 |
| Expenditures | | | | | |
| 510 | General Government | 1,621 | - | 12,378 | - |
| 520 | Public Safety | - | - | - | 1,821,052 |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 1,621 | - | 12,378 | 1,821,052 |
| Excess (Deficiency) Revenues over Expenditures: | | (445) | - | 10,671 | 0 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | - | - | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | - |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | - | - | - |
| Increase (Decrease) in Cash and Investments: | | (445) | - | 10,671 | 0 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 128,005 | 14,284 | 66,365 | - |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 128,005 | 14,284 | 66,365 | - |

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

| | | 137 Public Safety Sales Tax | 139 Chemical Dependency/MH / Therapy Court | 140 Mental Health & DD | 145 Homeless Housing |
|---|-------------------------------------|--|---|---------------------------------------|---------------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | - | 4,009,289 | 1,195,688 | 1,259,268 |
| 30880 | Unreserved | 1,033,182 | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 1,999,425 | 1,167,774 | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | 116,176 | 627,559 | 1,445,049 |
| 340 | Charges for Goods and Services | - | - | - | 561,010 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | 41,417 | 8,645 | 12,725 |
| Total Revenues: | | 1,999,425 | 1,325,367 | 636,205 | 2,018,784 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | 390,909 | 581,889 | 1,704,859 |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | 390,909 | 581,889 | 1,704,859 |
| Excess (Deficiency) Revenues over Expenditures: | | 1,999,425 | 934,458 | 54,315 | 313,925 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | 147,366 | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | - | - | 147,366 | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | - |
| 591-593, 599 | Debt Service | - | - | 4,094 | - |
| 597 | Transfers-Out | 1,341,688 | 1,236,363 | 147,000 | 154,941 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 1,341,688 | 1,236,363 | 151,094 | 154,941 |
| Increase (Decrease) in Cash and Investments: | | 657,737 | (301,905) | 50,587 | 158,984 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | - | 3,707,384 | 1,246,276 | 1,418,252 |
| 5088000 | Unreserved | 1,690,919 | - | - | - |
| Total Ending Cash and Investments | | 1,690,919 | 3,707,384 | 1,246,276 | 1,418,252 |

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

| | | 201 LTGO Refunding Bonds 2012 | 203 Pavilion Bonds | 206 LOCAL Program Fin- Energy Retrofit | 207 LOCAL Program Fin- Jail Security |
|---|-------------------------------------|-------------------------------------|-----------------------|--|--|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | - | - | - | - |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | - | - | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | - | - | - |
| Total Revenues: | | - | - | - | - |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | - | - | - |
| Excess (Deficiency) Revenues over Expenditures: | | - | - | - | - |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 779,900 | 65,520 | 45,250 | 37,916 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | 779,900 | 65,520 | 45,250 | 37,916 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | - |
| 591-593, 599 | Debt Service | 779,900 | 65,520 | 45,250 | 37,916 |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 779,900 | 65,520 | 45,250 | 37,916 |
| Increase (Decrease) in Cash and Investments: | | - | - | 0 | (0) |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | - | - | - | - |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | - | - | - | - |

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

| | | 208 LOCAL Program Fin- Real Estate | 301 Facilities Capital | 302 Software Replacement Reserve | 303 Fair Building Construction |
|---|-------------------------------------|---|-----------------------------------|---|---|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | - | 524,916 | 171,327 | 465 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | - | - | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | - | - | - |
| Total Revenues: | | - | - | - | - |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | - | - | - |
| Excess (Deficiency) Revenues over Expenditures: | | - | - | - | - |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 22,375 | 200,000 | 375,000 | 136,000 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | 22,375 | 200,000 | 375,000 | 136,000 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | 149,109 | 72,982 | 26,340 |
| 591-593, 599 | Debt Service | 22,375 | - | 992 | 4,000 |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | 49,615 | 100,000 |
| Total Other Decreases in Fund Resources: | | 22,375 | 149,109 | 123,589 | 130,340 |
| Increase (Decrease) in Cash and Investments: | | - | 50,892 | 251,411 | 5,660 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | - | 575,808 | 422,738 | 6,125 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | - | 575,808 | 422,738 | 6,125 |

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

| | | 305 Reserve for Courtroom Construction | 307 Cumulative Reserve Construction | 309 Capital Improvements | 310 Distressed Area Capital |
|---|-------------------------------------|---|--|-------------------------------------|--|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 299,817 | 711,858 | 438,756 | 1,504,824 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | 505,492 | 1,058,428 |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | - | - | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | 73,988 | 2,316 | 12,952 |
| Total Revenues: | | - | 73,988 | 507,807 | 1,071,380 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | 259,385 |
| 560 | Social Services | - | 8,098 | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | 8,098 | - | 259,385 |
| Excess (Deficiency) Revenues over Expenditures: | | - | 65,890 | 507,808 | 811,995 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 500,000 | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | 300,000 | - | - |
| Total Other Increases in Fund Resources: | | 500,000 | 300,000 | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 721,127 | - | - | - |
| 591-593, 599 | Debt Service | - | - | - | 81,600 |
| 597 | Transfers-Out | - | 201,910 | 500,000 | 242,990 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 721,127 | 201,910 | 500,000 | 324,590 |
| Increase (Decrease) in Cash and Investments: | | (221,127) | 163,980 | 7,808 | 487,405 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 78,690 | 875,838 | 446,564 | 1,992,229 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 78,690 | 875,838 | 446,564 | 1,992,229 |

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

| | | 401 Solid Waste Plan | 402 Hogan's Corner Water System | 403 Tax Title Management | 404 Pacific Beach Sewer System |
|---|-------------------------------------|---------------------------------|--|-------------------------------------|---|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 413,349 | 317,676 | 4,016,733 | 1,806,043 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | 23,213 | - |
| 320 | Licenses and Permits | - | - | 1,000 | - |
| 330 | Intergovernmental Revenues | 208,385 | - | - | - |
| 340 | Charges for Goods and Services | 1,653,148 | 256,517 | 1,275 | 763,344 |
| 350 | Fines and Penalties | - | - | - | 2,474 |
| 360 | Miscellaneous Revenues | 2,192 | 2,355 | 74,394 | 153,668 |
| Total Revenues: | | 1,863,726 | 258,872 | 99,882 | 919,486 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | 1,484,824 | 102,582 | - | 648,073 |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | 1,397,681 | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 1,484,824 | 102,582 | 1,397,681 | 648,073 |
| Excess (Deficiency) Revenues over Expenditures: | | 378,901 | 156,290 | (1,297,799) | 271,413 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | 50,000 | - | 115,000 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | 91 | - |
| 381, 395, 398 | Other Resources | 5,827 | - | 2,185,739 | - |
| Total Other Increases in Fund Resources: | | 5,827 | 50,000 | 2,185,829 | 115,000 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 34,376 | - | 51,351 | 1,030,603 |
| 591-593, 599 | Debt Service | - | 153,174 | - | 337,502 |
| 597 | Transfers-Out | 22,375 | - | 4,797 | 4,027 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | 108 | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 56,751 | 153,174 | 56,256 | 1,372,132 |
| Increase (Decrease) in Cash and Investments: | | 327,977 | 53,116 | 831,775 | (985,719) |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 741,326 | 370,792 | 4,848,508 | 820,324 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 741,326 | 370,792 | 4,848,508 | 820,324 |

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

| | | 405 Pacific Beach/Moclips Water System | 406 North Beach Water System | 407 Illahee Oyehut Sewer System | 501 Equipment Rental & Revolving |
|---|-------------------------------------|---|---|--|---|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 1,002,002 | 86,729 | 867,970 | 2,089,972 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | 568,633 | 107,853 | 148,914 | 3,565,638 |
| 350 | Fines and Penalties | - | - | 10,687 | - |
| 360 | Miscellaneous Revenues | 9,943 | 4,723 | 1,980 | 205,865 |
| Total Revenues: | | 578,576 | 112,576 | 161,581 | 3,771,503 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | 338,939 | 120,467 | 88,063 | - |
| 540 | Transportation | - | - | - | 2,851,951 |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 338,939 | 120,467 | 88,063 | 2,851,951 |
| Excess (Deficiency) Revenues over Expenditures: | | 239,638 | (7,891) | 73,518 | 919,552 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | 146 |
| 381, 395, 398 | Other Resources | - | - | - | 76,185 |
| Total Other Increases in Fund Resources: | | - | - | - | 76,331 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 7,242 | - | - | 662,348 |
| 591-593, 599 | Debt Service | - | - | 54,066 | - |
| 597 | Transfers-Out | - | - | - | 4,570 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | 125 |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 7,242 | - | 54,066 | 667,043 |
| Increase (Decrease) in Cash and Investments: | | 232,396 | (7,891) | 19,452 | 328,840 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 1,234,398 | 78,838 | 887,422 | 2,418,812 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 1,234,398 | 78,838 | 887,422 | 2,418,812 |

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

| | | 503 Central Services | 504 Management Services |
|---|-------------------------------------|---------------------------------|--|
| Beginning Cash and Investments | | | |
| 30810 | Reserved | 503,977 | 451,428 |
| 30880 | Unreserved | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - |
| Revenues | | | |
| 310 | Taxes | - | - |
| 320 | Licenses and Permits | - | - |
| 330 | Intergovernmental Revenues | - | - |
| 340 | Charges for Goods and Services | 1,116,460 | 1,377,176 |
| 350 | Fines and Penalties | - | - |
| 360 | Miscellaneous Revenues | 20,584 | 3,054 |
| Total Revenues: | | 1,137,044 | 1,380,230 |
| Expenditures | | | |
| 510 | General Government | 1,141,163 | 1,735,984 |
| 520 | Public Safety | - | - |
| 530 | Utilities | - | - |
| 540 | Transportation | - | - |
| 550 | Natural and Economic Environment | - | - |
| 560 | Social Services | - | - |
| 570 | Culture and Recreation | - | - |
| Total Expenditures: | | 1,141,163 | 1,735,984 |
| Excess (Deficiency) Revenues over Expenditures: | | (4,119) | (355,754) |
| Other Increases in Fund Resources | | | |
| 391-393, 596 | Debt Proceeds | - | - |
| 397 | Transfers-In | 50,000 | 357,801 |
| 385 | Special or Extraordinary Items | - | - |
| 386 / 389 | Custodial Activities | - | - |
| 381, 395, 398 | Other Resources | - | - |
| Total Other Increases in Fund Resources: | | 50,000 | 357,801 |
| Other Decreases in Fund Resources | | | |
| 594-595 | Capital Expenditures | 50,498 | 55,747 |
| 591-593, 599 | Debt Service | - | - |
| 597 | Transfers-Out | - | - |
| 585 | Special or Extraordinary Items | - | - |
| 586 / 589 | Custodial Activities | 12 | - |
| 581 | Other Uses | - | - |
| Total Other Decreases in Fund Resources: | | 50,510 | 55,747 |
| Increase (Decrease) in Cash and Investments: | | (4,629) | (53,700) |
| Ending Cash and Investments | | | |
| 5081000 | Reserved | 499,348 | 397,728 |
| 5088000 | Unreserved | - | - |
| Total Ending Cash and Investments | | 499,348 | 397,728 |

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

| | | Total for All Funds (Memo Only) | Private-Purpose Trust | Agency |
|-----------|--|--|----------------------------------|---------------|
| 308 | Beginning Cash and Investments | 59,802,299 | 1,345,192 | 58,457,107 |
| 388 & 588 | Prior Period Adjustment, Net | - | - | - |
| 310-390 | Additions | 276,303,186 | 4,104,087 | 272,199,098 |
| 510-590 | Deductions | 258,770,912 | 2,311,956 | 256,458,956 |
| | Net Increase (Decrease) in Cash and Investments: | 17,532,274 | 1,792,131 | 15,740,140 |
| 508 | Ending Cash and Investments | 77,334,572 | 3,137,324 | 74,197,248 |

The accompanying notes are an integral part of this statement.

GRAYS HARBOR COUNTY, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - Summary of Significant Accounting Policies

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

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.

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

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 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

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

F. Long-Term Debt

See Note 6, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

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

Reservations of Ending Cash and Investments consist of:

| Fund | Name/Purpose | Specific Purpose | Amount |
|------|---------------------------|--|-------------|
| 101 | Special Projects | Reserved for grant projects and special projects as designated by the Board of County Commissioners | \$185,277 |
| 102 | Auditor's M&O | Restricted per RCW 36.22.170 and Resolution 89-64, installation and maintenance of an improved system | \$308,979 |
| 103 | Fairgrounds & Events | Reserved for fair operations | \$20,263 |
| 104 | Trial Court Improvement | Restricted per RCW 3.58.060 | \$78,368 |
| 105 | Paths & Trails | Restricted per RCW 47.30 | \$62,209 |
| 106 | Law Library | Restricted per RCW 27.24.010 & 070 | \$54,918 |
| 107 | Affordable Housing | Restricted per RCW 36.22 and Resolution 2002-43, funds to be used for very low income housing projects | \$885,251 |
| 108 | Sheriff's Law Enforcement | Reserved for law enforcement purposes | \$141,169 |
| 109 | Crime Victim Penalty | Restricted per RCW 7.69 | \$61,646 |
| 110 | Roads | Restricted per RCW 36.82.010 | \$5,863,002 |
| 111 | Treasurer's M&O | Restricted per RCW 84.56.020 | \$229,043 |
| 112 | Stadium/Tourism | Restricted per RCW 67.28 & Ordinance 98-248 | \$2,343,402 |
| 113 | GH Raceway | Reserved for GH Raceway operations | \$14,034 |

| Fund | Name/Purpose | Specific Purpose | Amount |
|------|-------------------------------------|---|-------------|
| 114 | Veteran's Relief | Restricted per RCW 73.08.080 | \$101,781 |
| 116 | Election Reserve | Reserved for expenses associated with conducting regular and special state and county elections, including maintenance and equipment replacement | \$133,428 |
| 117 | Aberdeen Landfill Postclosure | Reserved for post closure care and monitoring of landfill facilities | \$956,272 |
| 118 | ORV Park | Reserved for Grays Harbor ORV Park operations | \$34,630 |
| 129 | Public Health & Social Services | Reserved for the administration of Public Health & Social Services | \$1,056,332 |
| 130 | Real Estate Excise Tax Technology | Reserved for development, implementation and maintenance of electronic process and reporting system for the real estate excise tax affidavits | \$128,005 |
| 131 | Tax Refund | Reserved for refunding of over levied taxes | \$14,284 |
| 132 | Excise/Revaluation M&O | Restricted per RCW 82.45.180(5)(c) and Resolution 2014-14 for maintenance and operation of annual revaluation system for property tax valuation and for the maintenance and operation of a reporting system for real estate excise tax affidavits | \$66,365 |
| 139 | Chemical Dep/MH & Therapy Court | Restricted by RCW 82.14.460 & Ordinance 382, reserved for chemical dependency, mental health treatment and services for therapeutic court programs | \$3,707,384 |
| 140 | Mental Health & DD | Reserved due to restrictions on grant revenue for mental health and developmental disabilities | \$1,246,276 |
| 145 | Homeless Housing | Reserved for costs related to the homeless housing program and reducing homelessness | \$1,418,252 |
| 301 | Facilities Capital | Reserved for the acquisition or construction of general capital assets and improvements | \$575,808 |
| 302 | Software Replacement Reserve | Reserved for acquisition of major computer software systems | \$422,738 |
| 303 | Fair Building Construction | Reserved for acquisition or construction of buildings and improvements at the fairgrounds | \$6,125 |
| 305 | Reserve for Courtroom Construction | Reserved for construction of courtrooms for Superior and District Courts | \$78,690 |
| 307 | Cumulative Reserve for Construction | Restricted per RCW 36.33.020 | \$875,838 |
| 309 | Capital Improvements | Restricted per RCW 35.43.040 | \$446,564 |
| 310 | Distressed Area Capital | Restricted per RCW 82.14.370 | \$1,992,229 |

| Fund | Name/Purpose | Specific Purpose | Amount |
|------|------------------------------------|--|---------------------|
| 401 | Solid Waste Plan | Reserved for solid waste management services and constructing and purchasing facilities, equipment and properties for solid waste activities | \$741,326 |
| 402 | Hogan's Corner Water System | Reserved for maintenance, upgrades and support activities of the water system | \$370,792 |
| 403 | Tax Title Management | Reserved to administer and manage County timber land and tax title property | \$4,848,508 |
| 404 | Pacific Beach Sewer System | Reserved for maintenance, upgrades and support activities of the sewer system | \$820,324 |
| 405 | Pacific Beach/Moclips Water System | Reserved for construction, maintenance, upgrades and support activities of the water system | \$1,234,398 |
| 406 | North Beach Water System | Reserved for maintenance, upgrades and support activities of the water system | \$78,838 |
| 407 | Illahee Oyehtut Sewer/Construction | Reserved for construction and operation of the sewer system | \$887,422 |
| 501 | Equipment Rental & Revolving | Restricted per RCW 36.33A.010-060 | \$2,418,812 |
| 503 | Central Services | Reserved for software development, purchases and support, computer purchases and replacement, and GIS related functions | \$499,348 |
| 504 | Management Services | Reserved for insurance and risk management, human resources, budget, payroll services, grants and records management | \$397,728 |
| | | Total Reserved Ending Cash | \$35,806,059 |

Note 2 – Budget Compliance

A. Budgets

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

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

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

| Fund/Department | Final Appropriated Amounts | Actual Expenditures | Variance |
|------------------------------|----------------------------------|------------------------|-------------|
| <i>General Fund:</i> | | | |
| Assessor | \$1,388,424 | \$1,350,822 | \$37,602 |
| Auditor | 837,387 | 807,452 | 29,935 |
| Civil Service | 19,167 | 16,766 | 2,401 |
| Clerk | 768,103 | 761,280 | 6,823 |
| Commissioners | 522,078 | 515,038 | 7,040 |
| Environmental Health | 739,361 | 734,840 | 4,521 |
| Coroner | 277,989 | 255,840 | 22,149 |
| Facility Services | 1,097,264 | 1,023,451 | 73,813 |
| Corrections | 5,067,032 | 4,837,141 | 229,891 |
| LEOFF 1 Disability Board | 9,658 | 8,204 | 1,454 |
| Boundary Review Board | 8,425 | 5,822 | 2,603 |
| WSU Extension & Noxious Weed | 214,769 | 210,909 | 3,860 |
| Therapeutic Court | 362,291 | 239,211 | 123,080 |
| District Court | 1,314,254 | 1,290,818 | 23,436 |
| Emergency Management | 279,955 | 262,868 | 17,087 |
| Juvenile | 2,234,400 | 2,135,866 | 98,534 |
| LEOFF 1 Benefits | 178,000 | 155,585 | 22,415 |
| Planning & Building | 1,025,075 | 858,001 | 167,074 |
| Public Defense | 1,555,000 | 1,501,385 | 53,615 |
| Prosecutor | 2,852,452 | 2,600,549 | 251,903 |
| Security | 421,524 | 369,110 | 52,414 |
| Sheriff | 7,135,038 | 6,827,305 | 307,733 |
| Superior Court | 840,756 | 837,752 | 3,004 |
| Treasurer | 668,573 | 637,947 | 30,626 |
| Park & Vegetation Management | 65,000 | 40,560 | 24,440 |
| Advanced Expenditure | 345,000 | 276,615 | 68,385 |
| Non-Departmental | 2,826,186 | 2,753,855 | 72,331 |
| Total General Fund | \$33,053,161 | \$31,314,993 | \$1,738,168 |
| <i>Miscellaneous Funds:</i> | | | |
| Special Projects | \$549,000 | \$287,005 | \$261,995 |
| Auditor's M&O | 296,983 | 224,007 | 72,976 |

| Fund/Department | Final Appropriated Amounts | Actual Expenditures | Variance |
|--------------------------------------|----------------------------------|------------------------|-----------|
| Fairgrounds & Events | 1,214,897 | 1,177,760 | 37,137 |
| Trial Court Improvement | 77,900 | 66,692 | 11,208 |
| Paths & Trails | 20,000 | 0 | 20,000 |
| Law Library | 23,730 | 22,543 | 1,187 |
| Affordable Housing | 250,000 | 0 | 250,000 |
| Sheriff's Law Enforcement | 20,000 | 5,346 | 14,654 |
| Federal Equitable Sharing | 96,245 | 11,938 | 84,307 |
| Crime Victim | 115,768 | 102,807 | 12,961 |
| Roads | 20,378,740 | 17,042,368 | 3,336,372 |
| Treasurer's M&O | 168,764 | 163,846 | 4,918 |
| Stadium | 610,472 | 400,940 | 209,532 |
| Tourism | 1,117,067 | 1,062,560 | 54,507 |
| GH Raceway | 21,700 | 18,044 | 3,656 |
| Veterans Relief | 53,900 | 29,224 | 24,676 |
| Election Reserve | 212,231 | 172,347 | 39,884 |
| Aberdeen Landfill Postclosure | 247,000 | 116,385 | 130,615 |
| ORV Park | 63,072 | 43,042 | 20,030 |
| Public Health & Social Services | 4,176,745 | 3,510,606 | 666,139 |
| Real Estate Excise Tax Technology | 20,000 | 1,621 | 18,379 |
| Excise/Revaluation M&O | 58,500 | 12,378 | 46,122 |
| Emergency Communication Tax | 2,000,000 | 1,821,052 | 178,948 |
| Public Safety Sales Tax | 1,613,529 | 1,341,688 | 271,841 |
| Chemical Dependency/MH/Therapy Court | 2,016,443 | 1,627,271 | 389,172 |
| Developmental Disabilities | 700,000 | 585,982 | 114,018 |
| MH/Dev Disability Services Levy | 147,000 | 147,000 | 0 |
| Homeless Housing | 1,917,296 | 1,859,800 | 57,496 |
| LTGO Refunding Bonds 2012 | 780,400 | 779,900 | 500 |
| Pavilion Bonds | 66,000 | 65,520 | 480 |
| LOCAL Program Fin-Energy Retrofit | 45,755 | 45,250 | 505 |
| LOCAL Program Fin-Jail Security | 38,420 | 37,916 | 504 |
| LOCAL Program Fin-Real Estate | 22,875 | 22,375 | 500 |
| Facilities Capital | 454,000 | 149,109 | 304,892 |

| Fund/Department | Final Appropriated Amounts | Actual Expenditures | Variance |
|--|----------------------------------|------------------------|---------------------|
| Software Replacement Reserve | 253,000 | 123,589 | 129,411 |
| Fair Building Construction | 234,534 | 130,340 | 104,194 |
| Reserve for Courtroom Construction | 790,000 | 721,127 | 68,873 |
| Cumulative Reserve Construction | 210,711 | 210,008 | 703 |
| Capital Improvements | 500,000 | 500,000 | 0 |
| Distressed Area Capital | 1,394,508 | 583,975 | 810,533 |
| Solid Waste Plan | 1,716,781 | 1,541,576 | 175,205 |
| Hogan's Corner Water System | 279,849 | 255,756 | 24,093 |
| Tax Title Management | 1,806,911 | 1,453,937 | 352,974 |
| Pacific Beach Sewer M&O | 974,443 | 891,056 | 83,387 |
| Pacific Beach Sewer SRF Loan Reserve | 1,025,000 | 1,025,000 | 0 |
| Pacific Beach Sewer Bond ULID #7 | 95,293 | 95,292 | 1 |
| Pacific Beach Sewer Bond ULID #8 | 83,858 | 83,857 | 1 |
| Pacific Beach/Moclips Water System M&O | 1,817,757 | 346,180 | 1,471,577 |
| North Beach Water System | 121,668 | 120,467 | 1,201 |
| Illahee Oyehut Sewer System | 268,986 | 142,129 | 126,857 |
| Illahee Oyehut Sewer Construction | 414,889 | 414,889 | 0 |
| Equipment Rental & Revolving | 3,018,021 | 2,928,076 | 89,945 |
| Equipment Rental & Revolving Replacement | 608,000 | 594,034 | 13,966 |
| Central Services | 1,230,733 | 1,209,258 | 21,475 |
| Central Services Replacement | 25,000 | 2,415 | 22,585 |
| Management Services | 1,871,916 | 1,791,731 | 80,185 |
| Total Miscellaneous Funds | \$58,336,290 | \$48,119,015 | \$10,217,275 |
| Total County Funds | \$91,389,451 | \$79,434,008 | \$11,955,443 |

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

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

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

Note 3 – Deposits and Investments

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

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All investments are insured, registered or held by the 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:

| Type of Investments | GH County Owned Investments | Investments Held by GH County as Agent | *GH County Residual Cash | Total |
|--------------------------|-----------------------------|--|--------------------------|----------------------|
| LGIP | \$14,405,621 | \$40,496,810 | \$20,177,940 | \$75,080,371 |
| US Gov't Securities | | | 7,449,810 | \$7,449,810 |
| **Money Market | 3,500,000 | 5,741,066 | 11,850,000 | \$21,091,066 |
| Total Investments | \$17,905,621 | \$46,237,876 | \$39,477,750 | \$103,621,247 |

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

Compensating Balances

Grays Harbor County maintains compensating balances in lieu of payment for banking services. The County established a money market account at Bank of the Pacific for this purpose. At key Bank, checking account balances provide for daily cash liquidity and act as a compensating balance. The average combined balance needed to support services in 2018 was \$10,731,563.

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 \$1.7202290 per \$1,000 on an assessed valuation of \$6,241,870,892 for a total regular levy of \$10,737,408.

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 \$2.1875355 per \$1,000 on an assessed valuation of \$2,718,252,799 for a total road levy of \$5,946,205

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2018:

| Borrowing Fund | Lending Fund | 1/01/18 Balance | New Loans | Payments | 12/31/18 Balance |
|------------------------------|------------------------------|--------------------|------------------|------------------|---------------------|
| Software Replacement Reserve | Landfill Postclosure | \$49,615 | | \$49,615 | \$0 |
| Fair Building Construction | Landfill Postclosure | 200,000 | | 100,000 | 100,000 |
| Fairgrounds & Events | General Fund | 0 | 100,000 | 100,000 | 0 |
| | Total Interfund Loans | \$249,615 | \$100,000 | \$249,615 | \$100,000 |

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 intergovernmental loans are as follows:

| Year | Principal | Interest | Total |
|---------------------------|--------------------|--------------------|---------------------|
| 2019 | \$1,484,489 | \$196,151 | \$1,680,640 |
| 2020 | 1,322,145 | 159,010 | 1,481,155 |
| 2021 | 1,229,864 | 125,638 | 1,355,502 |
| 2022 | 1,254,905 | 96,035 | 1,350,939 |
| 2023 | 571,326 | 65,534 | 636,860 |
| 2024-2028 | 1,915,547 | 234,024 | 2,149,571 |
| 2029-2033 | 913,576 | 145,644 | 1,059,220 |
| 2034-2038 | 433,693 | 83,138 | 516,832 |
| 2039-2043 | 286,201 | 41,399 | 327,600 |
| 2044-2047 | 188,423 | 8,137 | 196,560 |
| Total Debt Service | \$9,600,170 | \$1,154,710 | \$10,754,880 |

Note 7 – Other Post-Employment Benefits

The County has a commitment to pay benefits for active and retired employees that are member of the LEOFF1 retirement system. These benefits include medical, vision, nursing care, etc. Fourteen retirees received benefits during the year and \$155,585 was paid out for those benefits during the year. The cost of health care benefits is recognized in the General Fund when the claim is paid.

Note 8 – OPEB Plans

Grays Harbor County is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority (HCA). The plan provides medical benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The County had 231 active plan members and 96 retired plan members as of December 31, 2018. The County contributed \$2,709,464.95 to the plan for the year ended December 31, 2018.

Note 9 – Pension Plans

State Sponsored Pension Plans

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

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

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

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

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

At June 30, 2018, the County's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

| | Employer Contributions | Allocation % | Liability (Asset) |
|----------|-----------------------------------|---------------------|--------------------------|
| PERS 1 | \$952,427 | 0.142489% | \$6,363,607 |
| PERS 2/3 | \$1,161,872 | 0.150577% | \$2,570,968 |
| PSERS 2 | \$169,900 | 0.643341% | \$7,971 |
| LEOFF 1 | | 0.027934% | (\$507,142) |

| | | | |
|---------|-----------|-----------|---------------|
| LEOFF 2 | \$174,990 | 0.100911% | (\$2,048,713) |
|---------|-----------|-----------|---------------|

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 10 – Risk Management

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

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2018, twenty-six (26) counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2018, Grays Harbor County selects a per-occurrence deductible of \$25,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions (“SIRs”) equal to the greater of the deductible for the member with the claim or \$100,000. More recent years’ reinsurance programs have included “corridor

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

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

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

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews the Pool’s financial health, b) approve case settlements exceeding the applicable member’s deductible by at least \$50,000, c) review all claims with incurred loss estimates exceeding \$100,000, and d) evaluate the Pool’s operations, program deliverables, and the Executive Director’s performance. Committee members are expected to participate in the Board’s standing committees (finance, personnel,

risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon.

During 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 11 – Joint Venture

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

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

Activity for the year ended December 31, 2018 is as follows:

| | Total | County |
|--------------|-----------|-----------|
| Revenue | \$63,690 | \$63,690 |
| Expenditures | \$850,544 | \$453,931 |

Note 12 – Landfill Post-Closure Agreement

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

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

The Company shall conduct all post-closure care of the Landfill in accordance with the approved post-closure plan and all applicable local, state, and federal laws and regulations. Post-closure costs shall be approved by the County and paid out of the post-closure fund administered by the County. In the event there are insufficient funds for the post-closure care of the Landfill, the County's Solid Waste Fund shall pay any and all shortfalls.

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

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

Note 13 – Intergovernmental Agreement

Chehalis Basin Partnership

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

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

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

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

The County shall reimburse the Confederated Tribes for expenses of the Watershed Coordinator/Lead Entity Coordinator in an amount up to \$90,000.

Revenues and expenditures for 2018 are as follows:

| | Revenue | Expenditures |
|---------------------------------------|-----------------|------------------|
| CBP Watershed Facilitator | \$3,500 | \$32,951 |
| RCO Lead Entity Grant | 79,200 | 80,047 |
| Total Revenue and Expenditures | \$82,700 | \$112,998 |

Note 14 – Other Disclosures

Miscellaneous Claims

The County is occasionally the defendant in various claims including emotional distress, false arrests, jail complaints, and civil rights violations. There were ten (10) outstanding or possible claims of this type as of January 1, 2019. The County is defending and expects to prevail or have these claims dismissed for lack of merit.

Board of Tax Appeals

The County has one pending case before the Board of Tax Appeals concerning property tax valuation of a commercial property. This matter has not yet been set for trial. The County expects to prevail in this matter.

Civil Real Property Forfeitures

There are sixteen (16) civil cases pending in Superior Court stemming from the “Green Jade” investigation into illegal marijuana grow operations in Grays Harbor County. It is anticipated that most of these cases will settle, with the real properties being forfeited to the county. A few cases (not yet identified) may be dismissed and there is a possibility of having to pay minimal attorney fees in those cases. An additional case is on appeal to the Court of Appeals, and it is anticipated that the County will prevail in that case.

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

| ID. No. | Description | Due Date | Beginning Balance | Additions | Reductions | Ending Balance |
|---|--------------------------------------|-----------------|--------------------------|------------------|-------------------|-----------------------|
| General Obligation Debt/Liabilities | | | | | | |
| 251.11 | Limited Tax GO Bonds 2012 | 12/1/2023 | 3,670,000 | - | 680,000 | 2,990,000 |
| 251.11 | Limited Tax GO Bonds 2016 - FG | 12/1/2046 | 1,367,538 | - | 33,237 | 1,334,301 |
| 263.81 | CERB Loan C2001-141 | 7/22/2022 | 188,268 | - | 36,908 | 151,360 |
| 263.81 | CERB Loan C1999-122PW | 7/23/2023 | 239,796 | - | 38,014 | 201,782 |
| 263.96 | Local Program 0121-2-1 | 6/1/2020 | 105,647 | - | 33,470 | 72,177 |
| 263.96 | Local Program 0121-3-1 | 6/1/2023 | 234,602 | - | 34,380 | 200,223 |
| 263.96 | Local Program 0121-4-1 | 6/1/2026 | 155,000 | - | 15,000 | 140,000 |
| 263.83 | DSHS Working Advance | 6/30/2018 | 115,234 | - | 4,094 | 111,140 |
| Total General Obligation Debt/Liabilities: | | | 6,076,086 | - | 875,102 | 5,200,984 |
| Revenue and Other (non G.O.) Debt/Liabilities | | | | | | |
| 252.11 | Water & Sewer Revenue Bonds 1999 | 6/22/2019 | 178,365 | - | 87,266 | 91,100 |
| 252.11 | Sewer Revenue Bonds 2000 | 5/5/2020 | 230,447 | - | 73,487 | 156,961 |
| 263.82 | DWSRF 2009 | 10/1/2028 | 1,517,942 | - | 137,995 | 1,379,947 |
| 263.82 | SRF Loan 2016 | 1/1/2039 | 823,205 | - | 41,004 | 782,201 |
| 263.88 | PWTF Loan 2012 | 6/1/2031 | 2,141,969 | - | 152,998 | 1,988,971 |
| 259.12 | Compensated Absences Liability-Govtl | | 1,360,400 | 21,806 | - | 1,382,206 |
| 259.12 | Compensated Absences Liability-Prop | | 263,177 | - | 10,582 | 252,595 |
| 264.30 | Pension Liabilities | | 12,368,643 | - | 3,426,097 | 8,942,546 |
| Total Revenue and Other (non G.O.) Debt/Liabilities: | | | 18,884,148 | 21,806 | 3,929,428 | 14,976,526 |
| Total Liabilities: | | | 24,960,234 | 21,806 | 4,804,530 | 20,177,510 |

Grays Harbor 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 | | |
| RURAL HOUSING SERVICE, AGRICULTURE, DEPARTMENT OF | Rural Community Development Initiative | 10.446 | 56-014- 916001320 | - | 73,864 | 73,864 | - | |
| FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via State of WA Dept of Health) | WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | CLH18245 | 322,958 | - | 322,958 | - | 3a |
| FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via State of WA Dept of Health) | WIC Farmers' Market Nutrition Program (FMNP) | 10.572 | CLH18245 | 327 | - | 327 | - | |
| Forest Service Schools and Roads Cluster | | | | | | | | |
| FOREST SERVICE, AGRICULTURE, DEPARTMENT OF | Schools and Roads - Grants to States | 10.665 | Title III - County Projects | - | 13,005 | 13,005 | - | |
| FOREST SERVICE, AGRICULTURE, DEPARTMENT OF | Schools and Roads - Grants to States | 10.665 | Title I - Schools & Roads | - | 157,365 | 157,365 | - | |
| Total Forest Service Schools and Roads Cluster: | | | | - | 170,370 | 170,370 | - | |
| ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Dept of Commerce) | Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii | 14.228 | 17-62210-006 | 62,871 | - | 62,871 | 61,357 | |
| OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF | Drug Court Discretionary Grant Program | 16.585 | 2017-DC-BX- 0032 | - | 100,645 | 100,645 | - | |

The accompanying notes are an integral part of this schedule.

Grays Harbor County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 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 | Bulletproof Vest Partnership Program | 16.607 | L52199348 | - | 3,064 | 3,064 | - | |
| | | | | | | | | |
| OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF | Bulletproof Vest Partnership Program | 16.607 | L52199348 | - | 2,995 | 2,995 | - | |
| | | | | | | | | |
| Total CFDA 16.607: | | | | - | 6,059 | 6,059 | - | |
| CRIMINAL DIVISION, JUSTICE, DEPARTMENT OF | Equitable Sharing Program | 16.922 | WA0140000 | - | 11,938 | 11,938 | - | |
| | | | | | | | | |
| US Dept of Justice (via Washington State Patrol) | Domestic Cannabis Eradication Suppression | 16.U01 | K14148 | 6,583 | - | 6,583 | - | |
| | | | | | | | | |
| US Dept of Justice (via Washington State Patrol) | Domestic Cannabis Eradication Suppression | 16.U01 | K14148 | 24,442 | - | 24,442 | - | |
| | | | | | | | | |
| Total CFDA 16.U01: | | | | 31,025 | - | 31,025 | - | |
| Highway Planning and Construction Cluster | | | | | | | | |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Dept of Transportation) | Highway Planning and Construction | 20.205 | ER-1502(007) LA-8575 | 6,645 | - | 6,645 | - | |
| | | | | | | | | |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Dept of Transportation) | Highway Planning and Construction | 20.205 | BRS-2014(100) LA-8566 | 2,502,852 | - | 2,502,852 | - | |
| | | | | | | | | |

The accompanying notes are an integral part of this schedule.

Grays Harbor County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 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 HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Dept of Transportation) | Highway Planning and Construction | 20.205 | BRS-Z141(005) LA-8562 | 1,466,326 | - | 1,466,326 | - | |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Dept of Transportation) | Highway Planning and Construction | 20.205 | BROS-2014 (099) LA-8565 | 156,908 | - | 156,908 | - | |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Dept of Transportation) | Highway Planning and Construction | 20.205 | BROS-2014 (099) LA-9065 | 6,088 | - | 6,088 | - | |
| Total Highway Planning and Construction Cluster: | | | | 4,138,818 | - | 4,138,818 | - | |
| Highway Safety Cluster | | | | | | | | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Traffic Safety Commission) | State and Community Highway Safety | 20.600 | 2018-HVE-2164 | 16,979 | - | 16,979 | - | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Traffic Safety Commission) | National Priority Safety Programs | 20.616 | 2018-HVE-2164 | 1,029 | - | 1,029 | - | |
| Total Highway Safety Cluster: | | | | 18,009 | - | 18,009 | - | |

The accompanying notes are an integral part of this schedule.

Grays Harbor County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 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 | | |
| ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via State of WA Dept of Health) | Beach Monitoring and Notification Program Implementation Grants | 66.472 | CLH18245 | 12,000 | - | 12,000 | - | |
| CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA Dept of Health) | Public Health Emergency Preparedness | 93.069 | CLH18245 | 60,407 | - | 60,407 | - | 3b |
| CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA Dept of Health) | Injury Prevention and Control Research and State and Community Based Programs | 93.136 | CLH18245 | 7,723 | - | 7,723 | - | 3f |
| OFFICE OF POPULATION AFFAIRS, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA Dept of Health) | Family Planning Services | 93.217 | CLH18245 | 43,199 | - | 43,199 | - | |
| SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA Dept of Health) | Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | CLH18245 | 155,189 | - | 155,189 | - | 3c |
| SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA DSHS/Health Care Authority) | Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 1763-94251 | 37,153 | - | 37,153 | - | 3g |

The accompanying notes are an integral part of this schedule.

Grays Harbor County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 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 | | | | |
| SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via University of Washington) | Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | UWSC9647 | 61,615 | - | 61,615 | - | 3j | | |
| | | Total CFDA 93.243: | | | 253,957 | - | 253,957 | - | | |
| | | 93.268 | CLH18245 | 337 | - | 337 | - | 3e | | |
| CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA Dept of Health) | Immunization Cooperative Agreements | 93.563 | 2110-81159 | 62,521 | - | 62,521 | - | | | |
| ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State DSHS/Division of Child Support) | Child Support Enforcement | 93.563 | 2110-81159 | 221,873 | - | 221,873 | - | 3k | | |
| ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St DSHS) | Child Support Enforcement | 93.563 | 2110-81159 | 221,873 | - | 221,873 | - | | | |
| Medicaid Cluster | | | | Total CFDA 93.563: | | | 284,394 | - | 284,394 | - |
| CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority) | Medical Assistance Program | 93.778 | K760 | 6,155 | - | 6,155 | - | | | |

The accompanying notes are an integral part of this schedule.

Grays Harbor County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 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 Washington State Health Care Authority) | Medical Assistance Program | 93.778 | K2744 | 6,155 | - | 6,155 | - | |
| | | Total Medicaid Cluster: | | | - | 12,310 | - | |
| SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA DSHS/Health Care Authority) | Opioid STR | 93.788 | 1763-94251 | 53,935 | - | 53,935 | - | 3h |
| Maternal, Infant, and Early Childhood Home Visiting Cluster | | | | | | | | |
| HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Dept of Early Learning) | Maternal, Infant and Early Childhood Home Visiting Grant Program | 93.870 | 18-1067 | 216,549 | - | 216,549 | - | 3i |
| | | Total Maternal, Infant, and Early Childhood Home Visiting Cluster: | | | - | 216,549 | - | |
| SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA DSHS/Health Care Authority) | Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 1763-94251 | 51,925 | - | 51,925 | - | |
| HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of WA Dept of Health) | Maternal and Child Health Services Block Grant to the States | 93.994 | CLH18245 | 80,688 | - | 80,688 | - | 3d |

The accompanying notes are an integral part of this schedule.

Grays Harbor County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 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 | | |
| U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Recreation Commission) | Boating Safety Financial Assistance | 97.012 | 3318FAS18015 3 | 16,071 | - | 16,071 | - | |
| FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept) | Hazard Mitigation Grant | 97.039 | D16-018 | 97,125 | - | 97,125 | - | |
| FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept) | Emergency Management Performance Grants | 97.042 | E18-093 | 41,350 | - | 41,350 | - | |
| FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept/Thurston County) | Homeland Security Grant Program | 97.067 | na | 2,620 | - | 2,620 | - | |
| Total Federal Awards Expended: | | | | 5,808,598 | 362,875 | 6,171,473 | 61,357 | |

GRAYS HARBOR 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 County's financial statements. The County uses the cash basis of accounting.

Note 2 – Program Costs

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

Note 3 – Indirect Cost Rate

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

- (a) \$28,090
- (b) \$5,102
- (c) \$8,723
- (d) \$7,267
- (e) \$31
- (f) \$702
- (g) \$2,456
- (h) \$3,995
- (i) \$7,018
- (j) \$5,601
- (k) \$14,288

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

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

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

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

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

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

| Contact information for the State Auditor's Office | |
|--|--|
| Public Records requests | PublicRecords@sao.wa.gov |
| Main telephone | (360) 902-0370 |
| Toll-free Citizen Hotline | (866) 902-3900 |
| Website | www.sao.wa.gov |