

Washington State Auditor's Office
Financial Statements and Federal Single Audit Report

Grays Harbor County

Audit Period
January 1, 2010 through December 31, 2010

Report No. 1006487

Issue Date
September 30, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 30, 2011

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,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Federal Summary

Grays Harbor County January 1, 2010 through December 31, 2010

The results of our audit of Grays Harbor County are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unqualified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

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

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

FEDERAL AWARDS

Internal Control Over Major Programs:

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

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

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
14.228	Community Development Block Grants - State's Program
20.205	Highway Planning and Construction
93.069	Public Health Emergency Preparedness

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

The County did not qualify as a low-risk auditee under OMB Circular A-133.

Schedule of Prior Federal Audit Findings

Grays Harbor County January 1, 2010 through December 31, 2010

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

Audit Period: 1/1/09-12/31/09	Report Reference No: 34809	Finding Reference No: 1004221	CFDA Number(s): 93.959
Federal Program Name and Granting Agency: Block Grants for Prevention and Treatment of Substance Abuse, U.S. Department of Health and Human Services		Pass-Through Agency Name: Department of Social and Health Services	
Finding Caption: The County did not comply with suspension/debarment and subrecipient monitoring requirements for the Block Grants for Prevention and Treatment of Substance Abuse program.			
Background: During 2009 the County received \$337,989 in federal grant funds for its Block Grants for Prevention and Treatment of Substance Abuse program. The County disbursed the money to subrecipients that provided services to the public, including the prevention and treatment of substance abuse and chemical dependency.			
Federal regulations require the County to monitor subrecipients of federal funds. As a pass-through agency, the County is required to inform its subrecipients of all the pertinent regulations associated with its grant, such as federal Office of Management and Budget Circular A-133. This Circular covers compliance areas including allowable uses of grant funding, terms of payment, period of availability, and reporting. This information is typically outlined in a written agreement. We noted the County did not include several required elements in the written agreements, including the Catalog of Federal Domestic Assistance (CFDA) number, program title and federal awarding agency. Further, the County only included a provision addressing suspension and debarment requirements for subrecipients and lower-tier parties in seven of the 10 subrecipient agreements.			
Per the subrecipient agreement, the County is also required to monitor the activities of subrecipients, such as performing on-site reviews at the subrecipient's location, to ensure that Federal awards are used for authorized purposes in compliance with laws and regulations. The County did not consistently monitor the subrecipients annually as required in the subrecipient agreement. The County was required to conduct one on-site review during the contract year to monitor compliance with performance criteria. Only one of the five subrecipients was monitored during the audit period.			
Status of Corrective Action: (check one)			
<input checked="" type="checkbox"/> Fully Corrected	<input type="checkbox"/> Partially Corrected	<input type="checkbox"/> No Corrective Action Taken	<input type="checkbox"/> Finding is considered no longer valid
Corrective Action Taken: Suspension/debarment language has been added to the contract boilerplate. Yearly onsite subrecipient monitoring has been completed at all Substance Abuse providers. Documentation from the visits is available.			

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

**Grays Harbor County
January 1, 2010 through December 31, 2010**

Board of Commissioners
Grays Harbor County
Montesano, Washington

We have audited the financial statements of Grays Harbor County, Washington, as of and for the year ended December 31, 2010, and have issued our report thereon dated September 21, 2011.

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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 21, 2011

**Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct
and Material Effect on Each Major Program and
on Internal Control over Compliance in
Accordance with OMB Circular A-133**

**Grays Harbor County
January 1, 2010 through December 31, 2010**

Board of Commissioners
Grays Harbor County
Montesano, Washington

COMPLIANCE

We have audited the compliance of Grays Harbor County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2010.

INTERNAL CONTROL OVER COMPLIANCE

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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.



BRIAN SONNTAG, CGFM
STATE AUDITOR

September 21, 2011

Independent Auditor's Report on Financial Statements

**Grays Harbor County
January 1, 2010 through December 31, 2010**

Board of Commissioners
Grays Harbor County
Montesano, Washington

We have audited the accompanying financial statements of Grays Harbor County, Washington, for the year ended December 31, 2010. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the County prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Grays Harbor County, for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular

A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Long-Term Liabilities is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 21, 2011

Financial Section

**Grays Harbor County
January 1, 2010 through December 31, 2010**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2010
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2010
Notes to Financial Statements – 2010

SUPPLEMENTAL INFORMATION

Schedule of Long-Term Liabilities – 2010
Schedule of Expenditures of Federal Awards – 2010
Notes to the Schedule of Expenditures of Federal Awards – 2010

GRAYS HARBOR COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For The Year Ended December 31, 2010

BARS CODE		Total for All Funds	Fund 001 General Fund	Fund 101 Special Projects
		Total Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 25,404,138	\$ 3,502,318	\$ 200,737
308.10	Reserved	183,133	43,135	-
Revenues & Other Sources				
310	Taxes	\$ 21,354,987	\$ 13,280,078	\$ -
320	Licenses & Permits	764,220	741,947	-
330	Intergovernmental	23,827,840	4,610,801	1,305,998
340	Charges for Goods & Services	9,656,280	3,132,049	13,000
350	Fines & Penalties	990,286	990,286	-
360	Miscellaneous	5,327,558	319,240	56,910
390	Other Financing Sources	5,712,090	805,950	309,757
Total Revenues & Other Financing Sources		\$ 67,633,261	\$ 23,880,351	\$ 1,685,665
Total Resources		\$ 93,220,532	\$ 27,425,804	\$ 1,886,402
Operating Expenditures:				
510	General Government	\$ 12,481,821	\$ 9,547,098	\$ 26,014
520	Public Safety	11,398,256	11,088,467	241,775
530	Physical Environment	5,772,642	80,248	-
540	Transportation	11,144,048	-	-
550	Economic Environment	1,887,900	436,580	1,334,431
560	Mental & Physical Health	11,077,155	887,734	-
570	Culture & Recreation	2,078,531	191,896	85,492
Total Operating Expenditures		\$ 55,840,353	\$ 22,232,023	\$ 1,687,712
591-593	Debt Service	1,086,935	6,559	-
594-595	Capital Outlay	2,975,961	4,395	-
Total Expenditures		\$ 59,903,249	\$ 22,242,977	\$ 1,687,712
597-599	Other Financing Uses	3,416,943	791,013	-
Total Expenditures & Other Financing Uses		\$ 63,320,192	\$ 23,033,990	\$ 1,687,712
Excess (Deficit) of Resources Over Uses		\$ 29,900,340	\$ 4,391,814	\$ 198,690
380	Nonrevenues	2,266,795	50,020	-
580	Nonexpenditures	2,669,725	2,058,338	-
Ending Cash & Investments:				
508.10	Reserved	183,367	43,035	-
508	Unreserved	\$ 29,314,043	\$ 2,340,461	\$ 198,690

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, 2010

BARS CODE		Fund 102	Fund 103	Fund 104
		Auditor's M & O	Fairgrounds	Trial Court Improv.
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 178,040	\$ 30,519	\$ 82,885
308.10	Reserved	-	1,700	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ -
320	Licenses & Permits	-	-	-
330	Intergovernmental	61,478	68,055	60,014
340	Charges for Goods & Services	47,380	223,683	-
350	Fines & Penalties	-	-	-
360	Miscellaneous	-	391,974	-
390	Other Financing Sources	-	526,467	-
Total Revenues & Other Financing Sources		\$ 108,858	\$ 1,210,179	\$ 60,014
Total Resources		\$ 286,898	\$ 1,242,398	\$ 142,899
Operating Expenditures:				
510	General Government	\$ 84,134	\$ -	\$ 32,076
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	1,220,686	-
Total Operating Expenditures		\$ 84,134	\$ 1,220,686	\$ 32,076
591-593	Debt Service	-	-	-
594-595	Capital Outlay	-	-	-
Total Expenditures		\$ 84,134	\$ 1,220,686	\$ 32,076
597-599	Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses		\$ 84,134	\$ 1,220,686	\$ 32,076
Excess (Deficit) of Resources Over Uses		\$ 202,764	\$ 21,712	\$ 110,823
380	Nonrevenues	-	50,000	-
580	Nonexpenditures	-	50,000	-
Ending Cash & Investments:				
508.10	Reserved	-	1,700	-
508	Unreserved	\$ 202,764	\$ 20,012	\$ 110,823

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, 2010

BARS CODE		Fund 105	Fund 106	Fund 107
		Paths & Trails	Law Library	Affordable Housing
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 16,111	\$ 30,486	\$ 217,859
308.10	Reserved	-	-	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ -
320	Licenses & Permits	-	-	-
330	Intergovernmental	11,031	-	-
340	Charges for Goods & Services	-	33,889	73,496
350	Fines & Penalties	-	-	-
360	Miscellaneous	39	-	258
390	Other Financing Sources	-	-	-
Total Revenues & Other Financing Sources		\$ 11,070	\$ 33,889	\$ 73,754
Total Resources		\$ 27,181	\$ 64,375	\$ 291,613
Operating Expenditures:				
510	General Government	\$ -	\$ 38,275	\$ -
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	1,021
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ -	\$ 38,275	\$ 1,021
591-593	Debt Service	-	-	-
594-595	Capital Outlay	-	-	-
Total Expenditures		\$ -	\$ 38,275	\$ 1,021
597-599	Other Financing Uses	25,000	-	-
Total Expenditures & Other Financing Uses		\$ 25,000	\$ 38,275	\$ 1,021
Excess (Deficit) of Resources Over Uses		\$ 2,181	\$ 26,100	\$ 290,592
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	-	-
Ending Cash & Investments:				
508.10	Reserved	-	-	-
508	Unreserved	\$ 2,181	\$ 26,100	\$ 290,592

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, 2010

BARS CODE		Fund 108	Fund 109	Fund 110
		Sheriff's Law Enf.	Crime Victim	Roads
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 215,075	\$ 6,025	\$ 2,022,773
308.10	Reserved	-	-	550
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ 5,539,080
320	Licenses & Permits	-	-	9,478
330	Intergovernmental	31,846	17,080	6,728,710
340	Charges for Goods & Services	-	51,965	79,012
350	Fines & Penalties	-	-	-
360	Miscellaneous	276	-	397,475
390	Other Financing Sources	-	-	614,819
Total Revenues & Other Financing Sources		\$ 32,122	\$ 69,045	\$ 13,368,574
Total Resources		\$ 247,197	\$ 75,070	\$ 15,391,897
Operating Expenditures:				
510	General Government	\$ -	\$ 72,383	\$ 23,022
520	Public Safety	3,020	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	8,765,070
550	Economic Environment	-	-	-
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ 3,020	\$ 72,383	\$ 8,788,092
591-593	Debt Service	-	-	-
594-595	Capital Outlay	30,000	-	2,529,862
Total Expenditures		\$ 33,020	\$ 72,383	\$ 11,317,954
597-599	Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses		\$ 33,020	\$ 72,383	\$ 11,317,954
Excess (Deficit) of Resources Over Uses		\$ 214,177	\$ 2,687	\$ 4,073,943
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	-	-
Ending Cash & Investments				
508.10	Reserved	-	-	550
508	Unreserved	\$ 214,177	\$ 2,687	\$ 4,073,393

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, 2010

BARS CODE		Fund 111	Fund 112	Fund 114
		Treasurer's M & O Actual Amount	Stadium/Tourism Actual Amount	Veteran's Relief Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 72,301	\$ 901,424	\$ 130,132
308.10	Reserved	-	-	5,000
Revenues & Other Sources				
310	Taxes	\$ 2,985	\$ 866,828	\$ 351
320	Licenses & Permits	-	-	-
330	Intergovernmental	-	-	-
340	Charges for Goods & Services	160,840	-	-
350	Fines & Penalties	-	-	-
360	Miscellaneous	-	642	-
390	Other Financing Sources	-	-	-
Total Revenues & Other Financing Sources		\$ 163,825	\$ 867,470	\$ 351
Total Resources		\$ 236,126	\$ 1,768,894	\$ 135,483
Operating Expenditures:				
510	General Government	\$ 85,472	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	31,431
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	122,956	-
Total Operating Expenditures		\$ 85,472	\$ 122,956	\$ 31,431
591-593	Debt Service	-	-	-
594-595	Capital Outlay	-	-	-
Total Expenditures		\$ 85,472	\$ 122,956	\$ 31,431
597-599	Other Financing Uses	-	897,705	-
Total Expenditures & Other Financing Uses		\$ 85,472	\$ 1,020,661	\$ 31,431
Excess (Deficit) of Resources Over Uses		\$ 150,654	\$ 748,233	\$ 104,052
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	-	-
Ending Cash & Investments:				
508.10	Reserved	-	-	5,000
508	Unreserved	\$ 150,654	\$ 748,233	\$ 99,052

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, 2010

BARS CODE		Fund 116	Fund 117	Fund 118
		Election Reserve	Landfill Postclosure	ORV Park
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 174,775	\$ 762,173	\$ 15,364
308.10	Reserved	-	-	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ -
320	Licenses & Permits	-	-	-
330	Intergovernmental	1,453	-	173,551
340	Charges for Goods & Services	65,651	-	-
350	Fines & Penalties	-	-	-
360	Miscellaneous	-	23,143	199,510
390	Other Financing Sources	-	-	150,902
Total Revenues & Other Financing Sources		\$ 67,104	\$ 23,143	\$ 523,963
Total Resources		\$ 241,879	\$ 785,316	\$ 539,327
Operating Expenditures:				
510	General Government	\$ 28,156	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	-	265,389	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	457,501
Total Operating Expenditures		\$ 28,156	\$ 265,389	\$ 457,501
591-593	Debt Service	-	-	-
594-595	Capital Outlay	-	-	39,187
Total Expenditures		\$ 28,156	\$ 265,389	\$ 496,688
597-599	Other Financing Uses	115,000	-	-
Total Expenditures & Other Financing Uses		\$ 143,156	\$ 265,389	\$ 496,688
Excess (Deficit) of Resources Over Uses		\$ 98,723	\$ 519,927	\$ 42,639
380	Nonrevenues	-	2,116,787	2,174
580	Nonexpenditures	-	47,814	12,265
Ending Cash & Investments:				
508.10	Reserved	-	-	-
508	Unreserved	\$ 98,723	\$ 2,588,900	\$ 32,548

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, 2010

BARS CODE		Fund 129	Fund 130	Fund 131
		Public Health	Real Estate Excise	Tax Refund
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 329,120	\$ 132,549	\$ 13,745
308.10	Reserved	225	-	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ 496
320	Licenses & Permits	5,910	-	-
330	Intergovernmental	2,908,064	13,665	-
340	Charges for Goods & Services	74,663	-	-
350	Fines & Penalties	-	-	-
360	Miscellaneous	45,198	-	-
390	Other Financing Sources	561,048	-	-
Total Revenues & Other Financing Sources		\$ 3,594,883	\$ 13,665	\$ 496
Total Resources		\$ 3,924,228	\$ 146,214	\$ 14,241
Operating Expenditures:				
510	General Government	\$ 591,393	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental & Physical Health	3,004,280	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ 3,595,673	\$ -	\$ -
591-593	Debt Service	-	-	-
594-595	Capital Outlay	24,000	-	-
Total Expenditures		\$ 3,619,673	\$ -	\$ -
597-599	Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses		\$ 3,619,673	\$ -	\$ -
Excess (Deficit) of Resources Over Uses		\$ 304,555	\$ 146,214	\$ 14,241
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	-	-
Ending Cash & Investments:				
508.10	Reserved	225	-	-
508	Unreserved	\$ 304,330	\$ 146,214	\$ 14,241

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, 2010

BARS CODE		Fund 139	Fund 140	Fund 145
		CDMH Therapy Ct	Mental Health	Homeless Housing
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ -	\$ 4,873,077	\$ 836,063
308.10	Reserved	-	-	-
Revenues & Other Sources				
310	Taxes	\$ 706,661	\$ -	\$ -
320	Licenses & Permits	-	-	-
330	Intergovernmental	-	7,748,585	-
340	Charges for Goods & Services	-	-	316,429
350	Fines & Penalties	-	-	-
360	Miscellaneous	-	10,850	509
390	Other Financing Sources	-	125,400	-
Total Revenues & Other Financing Sources		\$ 706,661	\$ 7,884,835	\$ 316,938
Total Resources		\$ 706,661	\$ 12,757,912	\$ 1,153,001
Operating Expenditures:				
510	General Government	\$ -	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	8,259
560	Mental & Physical Health	26,037	7,159,104	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ 26,037	\$ 7,159,104	\$ 8,259
591-593	Debt Service	-	-	-
594-595	Capital Outlay	-	-	-
Total Expenditures		\$ 26,037	\$ 7,159,104	\$ 8,259
597-599	Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses		\$ 26,037	\$ 7,159,104	\$ 8,259
Excess (Deficit) of Resources Over Uses		\$ 680,624	\$ 5,598,808	\$ 1,144,742
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	19,053	-
Ending Cash & Investments:				
508.10	Reserved	-	-	-
508	Unreserved	\$ 680,624	\$ 5,579,755	\$ 1,144,742

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, 2010

BARS CODE		Fund 204	Fund 205	Fund 301	Fund 303
		Facilities Bonds Actual Amount	LTGO Bonds 2003 Actual Amount	Facilities Capital Actual Amount	Fair Bldg Constr. Actual Amount
Beginning Cash & Investments:					
308	Unreserved	\$ -	\$ -	\$ -	\$ 17,405
308.10	Reserved	-	-	-	-
Revenues & Other Sources					
310	Taxes	\$ -	\$ -	\$ -	\$ -
320	Licenses & Permits	-	-	-	-
330	Intergovernmental	-	-	-	-
340	Charges for Goods & Services	-	-	-	5,419
350	Fines & Penalties	-	-	-	-
360	Miscellaneous	-	-	-	31,000
390	Other Financing Sources	753,981	109,261	21,136	190,214
Total Revenues & Other Financing Sources		\$ 753,981	\$ 109,261	\$ 21,136	\$ 226,633
Total Resources		\$ 753,981	\$ 109,261	\$ 21,136	\$ 244,038
Operating Expenditures:					
510	General Government	\$ -	\$ -	\$ -	\$ -
520	Public Safety	-	-	-	-
530	Physical Environment	-	-	-	-
540	Transportation	-	-	-	-
550	Economic Environment	-	-	-	-
560	Mental & Physical Health	-	-	-	-
570	Culture & Recreation	-	-	-	-
Total Operating Expenditures		\$ -	\$ -	\$ -	\$ -
591-593	Debt Service	753,981	109,261	2,940	11,052
594-595	Capital Outlay	-	-	-	194,000
Total Expenditures		\$ 753,981	\$ 109,261	\$ 2,940	\$ 205,052
597-599	Other Financing Uses	-	-	-	-
Total Expenditures & Other Financing Uses		\$ 753,981	\$ 109,261	\$ 2,940	\$ 205,052
Excess (Deficit) of Resources Over Uses		\$ -		\$ 18,196	\$ 38,986
380	Nonrevenues	-	-	-	47,814
580	Nonexpenditures	-	-	18,196	80,163
Ending Cash & Investments:					
508.10	Reserved	-	-	-	-
508	Unreserved	\$ -	\$ -	\$ -	\$ 6,637

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, 2010

BARS CODE		Fund 307	Fund 309	Fund 310
		Cum. Res. Constr. Actual Amount	Capital Improv. Actual Amount	Distressed Area Cap. Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 1,774,891	\$ 212,167	\$ 531,574
308.10	Reserved	-	-	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ 172,579	\$ 783,380
320	Licenses & Permits	-	-	-
330	Intergovernmental	-	-	2,700
340	Charges for Goods & Services	-	-	-
350	Fines & Penalties	-	-	-
360	Miscellaneous	190,241	385	1,194
390	Other Financing Sources	100,000	-	-
Total Revenues & Other Financing Sources		\$ 290,241	\$ 172,964	\$ 787,274
Total Resources		\$ 2,065,132	\$ 385,131	\$ 1,318,848
Operating Expenditures:				
510	General Government	\$ -	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	-	-	-
540	Transportation	-	-	-
550	Economic Environment	-	-	76,178
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ -	\$ -	\$ 76,178
591-593	Debt Service	-	-	107,195
594-595	Capital Outlay	-	-	-
Total Expenditures		\$ -	\$ -	\$ 183,373
597-599	Other Financing Uses	444,303	330,814	271,803
Total Expenditures & Other Financing Uses		\$ 444,303	\$ 330,814	\$ 455,176
Excess (Deficit) of Resources Over Uses		\$ 1,620,829	\$ 54,317	\$ 863,672
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	-	-
Ending Cash & Investments:				
508.10	Reserved	-	-	-
508	Unreserved	\$ 1,620,829	\$ 54,317	\$ 863,672

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, 2010

BARS CODE		Fund 401	Fund 402	Fund 403
		Solid Waste	Hogans Corner Water	Tax Title Mgmt.
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 945,854	\$ 94,921	\$ 2,350,152
308.10	Reserved	-	-	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ 1,884
320	Licenses & Permits	-	-	6,885
330	Intergovernmental	84,809	-	-
340	Charges for Goods & Services	2,821,669	242,015	-
350	Fines & Penalties	-	-	-
360	Miscellaneous	402,870	183	71,995
390	Other Financing Sources	-	50,000	692,614
Total Revenues & Other Financing Sources		\$ 3,309,348	\$ 292,198	\$ 773,378
Total Resources		\$ 4,255,202	\$ 387,119	\$ 3,123,530
Operating Expenditures:				
510	General Government	\$ 582	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	3,281,811	85,019	1,239,486
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ 3,282,393	\$ 85,019	\$ 1,239,486
591-593	Debt Service	-	23,878	-
594-595	Capital Outlay	-	-	1,953
Total Expenditures		\$ 3,282,393	\$ 108,897	\$ 1,241,439
597-599	Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses		\$ 3,282,393	\$ 108,897	\$ 1,241,439
Excess (Deficit) of Resources Over Uses		\$ 972,809	\$ 278,222	\$ 1,882,091
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	137,273	-
Ending Cash & Investments:				
508.10	Reserved	-	-	-
508	Unreserved	\$ 972,809	\$ 140,949	\$ 1,882,091

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, 2010

BARS CODE		Fund 404	Fund 405	Fund 406
		Pacific Beach Sewer Actual Amount	PB/Moclips Water Actual Amount	North Beach Water Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 1,458,095	\$ 879,428	\$ 68,443
308.10	Reserved	132,273	-	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ 665	\$ -
320	Licenses & Permits	-	-	-
330	Intergovernmental	-	-	-
340	Charges for Goods & Services	497,921	390,052	63,331
350	Fines & Penalties	-	-	-
360	Miscellaneous	91,610	3,390	103
390	Other Financing Sources	29,062	56,000	-
Total Revenues & Other Financing Sources		\$ 618,593	\$ 450,107	\$ 63,434
Total Resources		\$ 2,208,961	\$ 1,329,535	\$ 131,877
Operating Expenditures:				
510	General Government	\$ -	\$ -	\$ -
520	Public Safety	-	-	-
530	Physical Environment	450,265	314,418	56,006
540	Transportation	-	-	-
550	Economic Environment	-	-	-
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ 450,265	\$ 314,418	\$ 56,006
591-593	Debt Service	71,268	801	-
594-595	Capital Outlay	10,940	84,815	-
Total Expenditures		\$ 532,473	\$ 400,034	\$ 56,006
597-599	Other Financing Uses	-	56,000	-
Total Expenditures & Other Financing Uses		\$ 532,473	\$ 456,034	\$ 56,006
Excess (Deficit) of Resources Over Uses		\$ 1,676,488	\$ 873,501	\$ 75,871
380	Nonrevenues	-	-	-
580	Nonexpenditures	206,574	40,049	-
Ending Cash & Investments:				
508.10	Reserved	132,607	-	-
508	Unreserved	\$ 1,337,307	\$ 833,452	\$ 75,871

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, 2010

BARS CODE		Fund 501	Fund 503	Fund 504
		Equipment Rental	Central Services	Insurance
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments:				
308	Unreserved	\$ 1,688,286	\$ 264,452	\$ 374,919
308.10	Reserved	-	250	-
Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ -
320	Licenses & Permits	-	-	-
330	Intergovernmental	-	-	-
340	Charges for Goods & Services	498,366	856,339	9,111
350	Fines & Penalties	-	-	-
360	Miscellaneous	2,165,554	20,855	902,154
390	Other Financing Sources	448,453	26,852	140,174
Total Revenues & Other Financing Sources		\$ 3,112,373	\$ 904,046	\$ 1,051,439
Total Resources		\$ 4,800,659	\$ 1,168,748	\$ 1,426,358
Operating Expenditures:				
510	General Government	\$ 21,821	\$ 845,748	\$ 1,085,647
520	Public Safety	64,994	-	-
530	Physical Environment	-	-	-
540	Transportation	2,378,978	-	-
550	Economic Environment	-	-	-
560	Mental & Physical Health	-	-	-
570	Culture & Recreation	-	-	-
Total Operating Expenditures		\$ 2,465,793	\$ 845,748	\$ 1,085,647
591-593	Debt Service	-	-	-
594-595	Capital Outlay	24,270	32,539	-
Total Expenditures		\$ 2,490,063	\$ 878,287	\$ 1,085,647
597-599	Other Financing Uses	448,453	36,852	-
Total Expenditures & Other Financing Uses		\$ 2,938,516	\$ 915,139	\$ 1,085,647
Excess (Deficit) of Resources Over Uses		\$ 1,862,143	\$ 253,609	\$ 340,711
380	Nonrevenues	-	-	-
580	Nonexpenditures	-	-	-
Ending Cash & Investments:				
508.10	Reserved	-	250	-
508	Unreserved	\$ 1,862,143	\$ 253,359	\$ 340,711

The accompanying notes are an integral part of this statement.

GRAYS HARBOR COUNTY
FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For The Year Ended December 31, 2010

	Total for All Funds		Fund 621		Fund 631		Fund 632		Fund 642	
	Total Amount		Personal Property	Actual Amount	Salary Clearing	Actual Amount	Claims Clearing	Actual Amount	Drug Task Force	Actual Amount
Beginning Cash & Investments	\$ 4,278,042		\$ 316	\$ 316	\$ 2,050,679	\$ 1,067,706	\$ 1,067,706	\$ 42,446		\$ 42,446
Revenues & Other Financing Sources	16,527,953		-	-	-	-	-	46,537		46,537
Total Resources	\$ 20,805,995		\$ 316	\$ 316	\$ 2,050,679	\$ 1,067,706	\$ 1,067,706	\$ 88,983		\$ 88,983
Total Expenditures & Other Financing Uses	105,818		-	-	-	-	-	105,818		105,818
Excess (Deficit) of Resources Over Uses	\$ 20,700,177		\$ 316	\$ 316	\$ 2,050,679	\$ 1,067,706	\$ 1,067,706	\$ (16,835)		\$ (16,835)
Nonrevenues	73,734,491		138	138	27,559,270	41,261,450	41,261,450	60,000		60,000
Nonexpenditures	90,244,760		232	232	27,655,658	41,420,054	41,420,054	-		-
Ending Cash & Investments	\$ 4,189,908		\$ 222	\$ 222	\$ 1,954,291	\$ 909,102	\$ 909,102	\$ 43,165		\$ 43,165

The Accompanying Notes Are An Integral Part Of This Statement.

GRAYS HARBOR COUNTY
FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For The Year Ended December 31, 2010

	Fund 649	Fund 652	Fund 676	Fund 677
	Boating Safety Actual Amount	State Remittances Actual Amount	County Schools Actual Amount	Suspense Actual Amount
Beginning Cash & Investments	\$ 106,970	\$ 333,762	\$ 72,113	\$ 604,050
Revenues & Other Financing Sources	-	14,234,813	2,246,603	-
Total Resources	\$ 106,970	\$ 14,568,575	\$ 2,318,716	\$ 604,050
Total Expenditures & Other Financing Uses	-	-	-	-
Excess (Deficit) of Resources Over Uses	\$ 106,970	\$ 14,568,575	\$ 2,318,716	\$ 604,050
Nonrevenues	23,480	1,825,048	16,800	2,988,305
Nonexpenditures	27,500	16,131,505	2,242,548	2,767,263
Ending Cash & Investments	\$ 102,950	\$ 262,118	\$ 92,968	\$ 825,092

The Accompanying Notes Are An Integral Part Of This Statement.

GRAYS HARBOR COUNTY, WASHINGTON

Notes to Financial Statements

December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 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 uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The County's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the County:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of the County. 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 revenues that are legally restricted or designated to finance particular activities of the County.

Debt Service Funds

These funds account for the accumulation of resources to pay principal, interest and related costs of general long-term debt.

Capital Projects Funds

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects.

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 County on a cost-reimbursement basis.

FIDUCIARY FUND TYPES:

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

Agency Funds

These funds are used to account for assets the County holds for others in an agency capacity.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets or allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

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

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
<i>General Fund:</i>			
Assessor	\$1,125,925	\$1,109,956	\$15,969
Auditor	807,340	772,702	34,638
Board of Equalization	25,710	21,861	3,849
Civil Service	35,907	35,713	194
Clerk	682,684	674,094	8,590
Commissioners	426,881	417,805	9,076
Environmental Health	650,473	631,477	18,996
Coroner	267,457	257,717	9,740
Facility Services	1,117,230	1,068,413	48,817
Disability	6,115	5,760	355
Boundary Review Board	7,303	5,571	1,732
Extension Agent	282,856	238,724	44,132
District Court	1,414,184	1,382,043	32,141
Juvenile	2,330,389	2,227,312	103,077
Planning & Building	978,479	940,688	37,791
Prosecutor	2,029,962	2,000,499	29,463
Sheriff/Jail	8,336,153	8,203,738	132,415
Superior Court	758,086	733,320	24,766
Treasurer	534,693	516,825	17,868
Public Defense	775,671	694,752	80,919
Park & Vegetation Mgmt	30,452	30,281	171
Advanced Expenditure	230,000	100,277	129,723
Non-Departmental	3,030,619	3,022,800	7,819
<i>Total General Fund</i>	<i>\$25,884,569</i>	<i>\$25,092,328</i>	<i>\$792,241</i>
Special Projects	\$2,810,504	\$1,687,712	\$1,122,792
Auditor's M & O	133,312	84,134	49,178
Fairgrounds	1,281,477	1,270,686	10,791
Trial Court Improvement	33,600	32,076	1,524
Paths & Trails	25,000	25,000	0
Law Library	42,865	38,275	4,590
Affordable Housing	157,000	1,021	155,979
Sheriff's Law Enforcement	145,000	30,000	115,000
Federal Equitable Sharing	27,300	3,020	24,280
Crime Victim Penalty	95,952	72,383	23,569
Roads	16,924,650	11,317,953	5,606,697
Treasurer's M & O	43,000	85,472	(42,472)

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Stadium	462,095	448,720	13,375
Tourism	583,570	571,942	11,628
Veteran's Relief	55,000	31,430	23,569
NOAA Radio – DEM	2,000	0	2,000
Election Reserve	156,665	143,156	13,509
Landfill Post-closure	685,000	313,203	371,797
ORV Park	585,568	508,953	76,615
Public Health	3,863,517	3,619,673	243,844
Chem Dep/MH/Therapy Court	40,000	26,037	13,963
Mental Health	7,085,652	6,215,474	870,178
Substance Abuse	653,601	366,801	286,800
Developmental Disabilities	592,695	576,829	15,866
Mental Health RSN Reserve	10,000	0	10,000
Mental Health Inpatient	8,000	0	8,000
Mental Health Operating Reserve	6,000	0	6,000
Homeless Housing	807,000	8,259	798,741
Facilities Bond	754,178	753,981	197
LTGO Bonds 2003	109,458	109,261	197
Facilities Capital	83,447	21,136	62,311
Fair Building Construction	1,005,436	285,214	720,221
Cumulative Reserve Construction	448,100	444,303	3,797
Capital Improvements	393,125	330,814	62,311
Distressed Area Capital	969,407	455,176	514,231
Solid Waste Plan	4,058,263	3,282,393	775,870
Hogan's Corner Water System	270,500	246,171	24,329
Tax Title Management	1,464,117	1,241,439	222,679
Pacific Beach Sewer M & O	598,759	559,898	38,860
PB Sewer Bond ULID #7	95,292	95,292	0
PB Sewer Bond ULID #8	85,000	83,857	1,143
PB/Moclips Water Sys. M & O	540,324	440,233	100,091
PB/Moclips Water Sys. Bond	15,000	15,000	0
PB/Moclips Water PWTF Debt	40,851	40,850	1
North Beach Water System	99,950	56,006	43,944
Equipment Rental & Revolving	3,642,110	2,938,516	703,594
Central Services	1,005,257	915,140	90,117
Insurance	1,173,869	1,085,647	88,222

Budgeted amounts are authorized to be transferred between 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 Board of County Commissioners.

The following funds had amendments to their appropriated budgets during 2010:

Fund	Original Appropriation	Amendments	Final Appropriation
General Fund	\$23,277,704	\$2,606,865	\$25,884,569
Special Projects	2,751,743	58,761	2,810,504
Fair	1,256,477	25,000	1,281,477
Trial Court Improvement	27,000	6,600	33,600
Paths & Trails	20,000	5,000	25,000
Stadium	824,763	220,902	1,045,665
ORV Park	289,200	296,368	585,568
Public Health & Social Services	3,817,380	46,137	3,863,517
Mental Health	7,738,471	617,477	8,355,948
Distressed Area Capital	922,467	46,940	969,407
Hogan's Corner Water System	215,700	54,800	270,500
Tax Title Management	1,331,009	133,108	1,464,117
PB Sewer M & O	747,051	32,000	779,051
PB/Moclips Water System	436,665	159,510	596,175
North Beach Water System	78,650	21,300	99,950
Central Services	951,553	53,704	1,005,257

D. Cash

It is the County's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the general fund.

E. Deposits

The County's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

F. Investments – See Note 3.

G. Capital Assets

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

H. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. Vacation pay may be accumulated and is payable upon resignation, retirement or death. Maximum allowable accruals are set by union contract.

I. Long -Term Debt – See Note 6.

J. Other Financing Sources or Uses

The County’s “Other Financing Sources or Uses” consist of transfers to and from other funds, sale of County timber, sale of fixed assets and insurance recoveries.

K. Risk Management - See Note 9.

L. Reserved Cash Balances

This cash and/or investment is not available for spending due to restrictions imposed by external parties or internal commitments.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance related legal or contractual provisions. There were no expenditures exceeding legal appropriations in the funds of the County, except the Treasurer’s M & O fund which overspent their budget \$42,472. This fund operates as a revolving fund and is not subject to budgetary limitations.

NOTE 3 – INVESTMENTS

The County’s investments are either insured, registered or held by the County or its agent in the County’s name. Investments are presented at cost.

Investments by type at December 31, 2010 are as follows:

TYPE OF INVESTMENT	COUNTY’S OWN INVESTMENTS	INVESTMENTS HELD BY COUNTY AS AN AGENT FOR OTHER LOCAL GOVERNMENTS	TOTAL
LGIP	\$32,674,914	\$19,476,538	\$52,151,452
Securities	2,521,079	0	2,521,079
Money Market Accounts & Certificates of Deposit	729,325	1,003,935	1,733,260
Total	\$35,925,318	\$20,480,473	\$56,405,791

NOTE 4 – PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes 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 taxes are levied.

The County's regular general government services levy for 2010 was \$1.3709670 per \$1,000 on an assessed valuation of \$6,577,777,561 for a total regular levy of \$9,017,916.

The County is also authorized to levy up to \$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 2010 was \$1.8920542 per \$1,000 on an assessed valuation of \$2,664,189,970 for a total road levy of \$5,040,792.

NOTE 5 – INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2010:

BORROWING FUND	LENDING FUND	BALANCE 1/1/10	NEW LOANS	REPAYMENTS	BALANCE 12/31/10
Fair Construction	Landfill Post-closure	\$354,083	\$47,814	\$80,163	\$321,734
General Fund	Landfill Post-closure	34,982	0	8,338	26,644
Facilities Capital	Landfill Post-closure	96,673	0	18,196	78,477
ORV Park	Landfill Post-closure	30,000	0	10,090	19,910
General Fund	Landfill Post-closure	2,000,000	0	2,000,000	0
Totals		\$2,515,738	\$47,814	\$2,116,787	\$446,765

NOTE 6 – LONG-TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the County and summarizes the County's debt transactions for 2010. Debt service payments for the year being reported and future payment requirements, including interest, are as follows:

	GENERAL OBLIGATION BONDS	ASSESSMENT BONDS	INTER-GOVERNMENTAL LOANS	TOTAL DEBT
2010	\$862,635	\$179,149	\$407,890	\$1,449,674
2011	847,236	179,149	422,160	1,448,545
2012	846,447	179,149	379,690	1,405,286
2013	850,032	179,149	377,664	1,406,845
2014	852,125	179,149	375,641	1,406,915
2015	852,900	179,148	368,597	1,400,645
2016-2020	4,437,640	800,278	1,319,281	6,557,199
2021-2025	1,890,620	0	937,380	2,828,000
2026-2028	0	0	422,265	422,265
Totals	\$11,439,635	\$1,875,171	\$5,010,568	\$18,325,374

NOTE 7 – PENSION PLANS

Substantially all County full-time and qualifying part-time employees participate in PERS, LOEFF and PSERS administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the County's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P. O. Box 48380
Olympia, WA 98504-8380.

NOTE 8 – POST RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 7, and in accordance with the LEOFF Act, the County pays for health insurance and medical costs not covered by insurance for retired full-time, fully compensated, law enforcement officers who established membership in the LEOFF 1 retirement system on or before September 30, 1977. Substantially all of the County's law enforcement officers who established membership in the LEOFF 1 retirement system may be eligible for these benefits when they reach normal retirement age. The County reimburses retired LEOFF 1 law enforcement officers for reasonable medical charges as described in the LEOFF act. In 2010, 18 retirees received benefits under this Act. As of December 31, 2010, there were 3 active officers with an average age of 57 years who become eligible for these benefits when they reach normal retirement age.

The cost of retiree health care benefits is recognized as an expenditure in the General Fund as claims are paid. For 2010, these costs totaled \$68,926 with an average cost per retiree of \$3,829.

NOTE 9 – RISK MANAGEMENT

Grays Harbor County is one of the twenty-seven members of the Washington Counties Risk Pool ("Pool"). Other members include: Adams, Benton, Chelan and Clallam, Clark, Columbia, Cowlitz and Douglas, Franklin, Garfield, Island and Jefferson, Kittitas, Lewis, Mason and Okanogan, Pacific, Pend Oreille, San Juan and Skagit, Skamania, Spokane, Thurston and Walla Walla, and Whatcom and Yakima Counties. Kitsap County terminated its membership September 30, 2010. Klickitat and Whitman Counties were also former Pool members, having terminated their memberships September 30, 2002 and 2003 respectively.

Contingent Liability: The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover

liabilities. Deficits resulting from any of the Pool's fiscal years are financed by proportional reassessments (aka retroactive assessments) against the particular year's membership.

The Pool's reassessments receivable balance at December 31, 2010 remains at \$0.

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

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

The Pool's claims database increased during Py2010 with the addition of 769 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 17,238. Estimates of incurred losses (payments made plus reserve estimates for *open* claims) increased \$17.8 million during the year to \$221.4 million.

Washington Counties Property Program: Since the Pool began offering a fully-insured and jointly-purchased property insurance coverage to its membership in October 2005 as an individual county option, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty seven member counties with covered properties totaling \$2.76 billion participated in this program during Py2010.

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

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 7 property claims submitted for processing during Py2010 with incurred losses-to-date totaling \$0.33 million. But during its first five years as an optional WCRP insuring program, there have been 65 property claims filed with incurred losses-to-date totaling nearly \$9 million.

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

Background: The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW to provide its member counties with “joint” programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington’s “pooling” laws, more specifically Chapters 48.62 RCW and 82.60 WAC. It is overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

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

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

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

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

Regular oversight of the Pool’s operations is furnished by an 11-person executive committee. The committeepersons are elected by the Pool’s board of directors from its membership to staggered 3-year terms during each Annual Meeting. The committee meets several times

throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve any case settlement exceeding the member's deductible by at least \$50,000, and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

Staffing and Support Teams: The Pool's 5-person claims staff with more than eighty years combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed each year upon the Pool's member counties each year. This includes establishing reserves for reported and unreported covered events and estimating undiscounted future cash payments for losses and related claims adjustment expenses. Other Pool staffers provide various member services, including conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; insurance producer (brokerage) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; coverage counsel is provided by Stafford Frey Cooper; and independent claims auditing will be conducted by Strategic Claims Directions LLC with special claims audits frequently performed by the Pool's commercial reinsurers / insurers. These noted professionals are in addition to the many contracted and in-county counselors assigned to defend Pool cases as well as the State Risk Manager and the State Auditor.

Financial Summary: The following constitute the more significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2009 through September 2010):

- *Net Operating Income* was realized of \$1.8 million, a 59% increase from the prior year.
- *Total Assets* grew \$3.2 million (9%) to \$38.9 million. Current assets increased \$3.1 million (9%) while non-current assets increased \$0.1 million (12%).
- *Total Claims Reserves* for the Pool's direct reserving exposures increased to \$14.0 million, up 7% from the prior year. This total includes: \$6.1 million for losses in the Pool-only retained layer, down 13%; \$7.0 million for losses within the aggregated stop losses of the "corridor" program for automobile and general liabilities, up 37%; and \$0.9 million for unallocated loss adjustment expenses, down 2% from one year ago. *NOTE: The corridor program is only four years old and not fully matured. Its occurrence coverage maximum was increased to one million dollars in Py2010, up from the half million level that existed during the program's first three years. The program's occurrence minimum remains the greater of the applicable member's deductible or \$100,000.*
- *Net Assets* (aka *Members' Equity*) increased \$2 million to \$10.2 million as of September 30, 2010. Of the total, \$5.8 million is classified as *Restricted Net Assets* — \$1 million to satisfy the State's solvency provisions (WAC 82.60.03001) plus \$4.8 million for the Pool's

Underwriting Policy requirements. \$0.2 million is invested in a real property (fraud) recovery and another \$1 million in *Capital Assets* (net of debt). The remaining \$3.2 million is *Non-Restricted Net Assets* that is available for use as directed by the Board of Directors.

NOTE 10 – 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, 2010 is as follows:

	Total	County
Revenue	\$451,207	\$255,403
Expenditures	\$636,146	\$440,342

NOTE 11 – 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 that there are insufficient funds for the post-closure care of the Landfill, the County 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. Post-closure costs are estimated by the County to be approximately \$250,000 per year. 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 monitoring period.

GRAYS HARBOR COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

SCHEDULE 16

Federal Agency Name/ Pass Through Agency Name	Federal Program Name	Federal CFDA Number	Other Identification Number	Expenditures			Foot- note Ref.
				From Pass- Through Awards	From Direct Awards	Total	
U.S. Department of Agriculture	National School Lunch Program	10.555	N/A	0	42,487	42,487	
U.S. Department of Agriculture/pass-through from WA State Dept. of Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C14948	321,084	0	321,084	
			C14948	14,090	0	14,090	
			Subtotal	335,174	0	335,174	
U.S. Department of Agriculture/pass-through from WA State Dept. of Health	WC Farmers' Market Nutrition Program (FMNP)	10.572	C14948	378	0	378	
U.S. Department of Agriculture	Cooperative Forestry Assistance	10.664	PA-11060900-017	0	22,385	22,385	
U.S. Department of Housing & Urban Development/pass-through WA State Dept. of Commerce	Community Development Block Grants/State's Program and Non-Entitlement Grants	14.228	08-64008-037	9,000	0	9,000	
			07-64007-033	6,540	0	6,540	
			08-64008-021	354,502	0	354,502	
			09-64009-003	29,683	0	29,683	
			10-64009-003	135,310	0	135,310	
			Subtotal	535,035	0	535,035	
U.S. Dept. of Justice/pass-through from Washington State Patrol	Law Enforcement Assistance_Narcotics and Dangerous Drugs_Laboratory Analysis	16.001	C100881FED	10,000	0	10,000	
			C090729FED	2,690	0	2,690	
			PA-WAW-0211	0	1,296	1,296	
			PA-WAW-0218	0	2,282	2,282	
			PA-WAW-0228	0	39,150	39,150	
			PA-WAW-0232	0	2,058	2,058	
			Subtotal	12,690	44,786	57,476	
U.S. Dept. of Justice /pass-through from Office of Juvenile Justice & Delinquency Prevention	Juvenile Accountability Block Grant	16.523	0663-98266-04	9,007	0	9,007	
			0663-98266-05	4,104	0	4,104	
			Subtotal	13,111	0	13,111	
U.S. Dept. of Justice/pass-through from WA State Dept. of Commerce	Edward Byrne Memorial Formula Grant Program	16.579	M10-34021-001	44,904	0	44,904	
U.S. Dept. of Justice /pass-through WA State Dept. of Commerce	ARRA - Violence Against Women Formula Grants	16.588	F09-31701-208	10,149	0	10,149	4

GRAYS HARBOR COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

SCHEDULE 16

Federal Agency Name/ Pass Through Agency Name	Federal Program Name	Federal CFDA Number	Other Identification Number	Expenditures			Foot- note Ref.
				From Pass- Through Awards	From Direct Awards	Total	
			F09-34721-038	64,418	0	64,418	4
			Subtotal	74,567	0	74,567	
U.S. Dept. of Justice	State Criminal Alien Assistance Program	16.606	FY2010	0	17,779	17,779	
U.S. Dept. of Justice Office of Community Oriented Policing Services (COPS)/pass-through from WA Association of Sheriff's and Police Chiefs	Public Safety Partnership and Community Policing Grants	16.710	2009CKWXO392	1,603	0	1,603	
	WA State Methamphetamine		WSM109104	118	0	118	
			Subtotal	1,721	0	1,721	
U.S. Dept. of Justice/pass-through from WA State Department of Commerce	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M09-34021-001	41,366	0	41,366	
			M10-34021-001	21,230	0	21,230	
			Subtotal	62,596	0	62,596	
U.S. Dept. of Justice /pass-through WA State Dept. of Commerce	ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States & Territories	16.803	2009-SBB90996	27,853	0	27,853	4
			F09-34721-001	41,366	0	41,366	4
			Subtotal	69,219	0	69,219	
U.S. Dept. of Transportation/FHWA	Highway Planning and Construction	20.205	DTFH70-06-E00002	0	11,573	11,573	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-5813	42,671	0	42,671	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-5814	292,518	0	292,518	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-5816	14,779	0	14,779	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-5822	57	0	57	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-6444	334,529	0	334,529	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-6581	217,496	0	217,496	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-6797	116,669	0	116,669	
U.S. Dept. of Transportation/FHWA/pass-through from WA State Dept. of Transportation			LA-7202	84,851	0	84,851	
			Subtotal	1,103,570	11,573	1,115,143	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration	State and Community Highway Safety	20.600	K4PT10-03	22,800	0	22,800	

GRAYS HARBOR COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

SCHEDULE 16

Federal Agency Name/ Pass Through Agency Name	Federal Program Name	Federal CFDA Number	Other Identification Number	Expenditures			Foot- note Ref.
				From Pass- Through Awards	From Direct Awards	Total	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration			N/A	25,804	0	25,804	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration			N/A	3,477	0	3,477	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration			N/A	1,212	0	1,212	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration			011ST-04	39,674	0	39,674	
			Subtotal	92,967	0	92,967	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration	Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	MOU	24,777	0	24,777	
U.S. Dept. of Transportation/FHWA/pass-through from Nat'l Highway Traffic Safety Administration	Occupant Protection Incentive Grants	20.602	MOU	28,267	0	28,267	
Environmental Protection Agency/pass-through WA State Dept. of Ecology	NonPoint Source Implementation Grants	66.460	C1000144	22,862	0	22,862	
Environmental Protection Agency/pass-through WA State Dept. of Health	Capitalization Grants for Drinking Water State Revolving Funds	66.468	C14948	5,250	0	5,250	
Environmental Protection Agency/pass-through WA State Dept. of Health	Beach Monitoring and Notification Program Implementation Grants	66.472	C14948	11,950	0	11,950	
U.S. Dept. of Education/pass-through WA State Dept. of Commerce	Safe and Drug-Free Schools and Communities_State Grants	84.186	M08-66100-114	22,291	0	22,291	
U.S. Department of Health & Human Services/pass- through WA State Department of Health	Public Health Emergency Preparedness	93.069	C14948	362,895	0	362,895	
U.S. Department of Health & Human Services/pass- through WA State Department of Health	Family Planning_Services	93.217	C14948	63,556	0	63,556	
U.S. Department of Health & Human Services/pass- through WA State Department of Health	Grants for Dental Public Health Residency Training	93.236	C14948	25,000	0	25,000	
U.S. Department of Health & Human Services/pass- through WA State Department of Health	Immunization Grants	93.268	C14948	31,234	0	31,234	
U.S. Department of Health & Human Services/pass- through WA State Department of Health	Centers for Disease Control and Prevention_Investigstions and Technical Assistance	93.283	C14948	29,606	0	29,606	
U.S. Department of Health & Human Services/pass- through WA State Department of Social & Health Services	Child Support Enforcement	93.563	2110-81159	281,169	0	281,169	
U.S. Department of Health & Human Services/pass- through WA State Department of Social & Health Services	Child Care and Development Block Grant	93.575	C14948	18,639	0	18,639	
U.S. Department of Health & Human Services/pass- through WA State Secretary of State	Voting Access for Individuals with Disabilities_Grants to States	93.617	G101325	8,976		8,976	
			G4267	9,945		9,945	

GRAYS HARBOR COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

SCHEDULE 16

Federal Agency Name/ Pass Through Agency Name	Federal Program Name	Federal CFDA Number	Other Identification Number Subtotal	Expenditures			Foot- note Ref.
				From Pass- Through Awards 18,921	From Direct Awards 0	Total 18,921	
Department of Health and Human Services Centers for Disease Control & Prevention/pass-through WA State Department of Health	ARRA - Immunization	93.712	C14948	34,405	0	34,405	4
U.S. Department of Health & Human Services/pass-through WA State Department of Social & Health Services	Medical Assistance Program	93.778	0563-75720(4)	194,315	0	194,315	
U.S. Department of Health & Human Services/pass-through WA State Department of Health	National Bioterrorism Hospital Preparedness Program	93.889	C14948	3,223		3,223	
U.S. Department of Health & Human Services/pass-through WA State Department of Social & Health Services	Block Grants for Community Mental Health Services	93.958	0969-73245	63,481	0	63,481	
U.S. Department of Health & Human Services/pass-through WA State Department of Social & Health Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	0963-68035	73,737	0	73,737	3
U.S. Department of Health & Human Services/pass-through WA State Department of Health	Maternal and Child Health Services Block Grant to the States	93.994	C14948	77,638	0	77,638	
Dept. of Homeland Security/pass-through WA State Parks & Recreation	Boating Safety Financial Assistance	97.012	2009-35	10,658	0	10,658	
			LE911-201	2,937	0	2,937	
			Subtotal	13,595	0	13,595	
Dept. of Homeland Security/pass-through WA State Military	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	1817-DR-WA	73,149	0	73,149	
			1825-DR-WA	100		100	
			Subtotal	73,249	0	73,249	
Dept. of Homeland Security/pass-through WA State Military	Emergency Management Performance Grants	97.042	E09-295	25,426	0	25,426	
Dept. of Homeland Security/pass-through WA State Military	Homeland Security Grant Program	97.067	2008-GE-T8-0038 E09-198	37,515	0	37,515	
TOTAL FEDERAL AWARDS EXPENDED				3,888,933	139,010	4,027,943	

The Accompanying Notes to the Schedule of Expenditures of Federal Awards Are An Integral Part of This Schedule.

GRAYS HARBOR COUNTY, WASHINGTON

Notes to the Schedule of Expenditures of Federal Award

(And State/Local Financial Assistance)

January 1, 2010 through December 31, 2010

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 the federal grant portion of the program costs. Entire program costs, including the County's portion, may be more than shown.

NOTE 3 – AMOUNTS AWARDED TO SUBRECIPIENTS

The total amount expended for these programs were passed through to subrecipients.

NOTE 4 – AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009.

Expenditures for this program were funded by ARRA.



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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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