

ANNUAL REPORT



MASON COUNTY WASHINGTON

For Fiscal Year Ended
December 31, 2013



Karen Herr
Mason County
Auditor

P.O. Box 400
411 N. 5th Street
Shelton, WA 98584
Phone (360) 427-9670
Fax (360) 427-1753
<http://auditor.co.mason.wa.us>

May 30, 2014

TO THE CITIZENS OF MASON COUNTY:

I am pleased to present the **2013 Annual Financial Report** of Mason County for your review. This Annual Report provides detailed financial information on the revenues, expenditures, assets, and liabilities of Mason County government for the fiscal year ending December 31, 2013. This review is designed to provide financial status information to our county commission, legislative bodies, creditors, investors, bond counsels, and the public we serve.

Included in this annual report are the narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Also included is the Statement of Net Position that provides the total net equity of the County, and the Statement of Activities that shows the cost of providing governmental services.

To the best of our knowledge and belief, the enclosed data is accurate and complete and all governmental fund assets are itemized and being depreciated. This report was prepared in accordance with the following standards:

- ❑ Generally accepted accounting principles that are uniform minimum standards and guidelines for financial accounting and reporting in the United States.
- ❑ Government accounting and financial reporting statements, interpretations, and technical bulletins issued by the Government Accounting Standards Board (GASB).
- ❑ Budgeting, Accounting and Reporting Systems (BARS) for counties, cities and other local government entities in the State of Washington.

I would like to express my sincere appreciation to our new Chief Finance Manager, Leo Kim, CPA and our County Consultant, Teresa Johnson, CPA who worked closely with the Senior Accountants in Financial Services in completing the Annual Financial Report in such an expedient and cooperative manner.

Respectfully submitted,

Karen L. Herr
Mason County Auditor

Mason County, Washington
Annual Report
Year Ended December 31, 2013

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Management's Discussion and Analysis

January 1, 2013 through December 31, 2013

Provided in this section of Mason County's annual financial report is our narrative discussion and analysis of the financial activities for the fiscal year ending on December 31, 2013. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The County's total net position on the 2013 financial statements amounted to \$169,959,819.

Total governmental activity net position is comprised of the following:

1. Capital assets, net of related debt, of \$109,408,071, include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
2. Net position of \$10,645,633 is restricted by resolutions and constraints imposed from outside the County such as debt covenants, granters, laws, or regulations.
3. Unrestricted net position of \$11,798,097 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported total ending fund balances of \$19,617,437 this year. This compares to the prior year total ending fund balances of \$15,230,972 showing an increase of \$4,386,465.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,836,167 or 32% of total General Fund expenditures without transfers out.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

The County's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other non-financial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

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Management's Discussion and Analysis

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The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by sales tax and from business-type activities that are intended to recover all or a significant portion of their costs through use fees and charges. Governmental activities include general government, judicial, public safety, transportation, parks and recreation, health and human services, community services and economic development. Business-type activities include solid waste, and a number of water and sewer entities.

Fund Financial Statements - A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

Governmental Funds - are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Proprietary Funds - Proprietary funds are reported in the proprietary fund financial statements and generally report services for which the County charges customers a fee. The County operates five enterprise operations and two internal service funds. The five enterprise operations are Landfill, North Bay Wastewater, Belfair Wastewater, Rustlewood Sewer & Water, and Beards Cove Water. The internal service funds consist of mainly the Equipment Rental and Revolving Fund. There is a small internal service fund, Unemployment Fund. Services provided by these funds are internal to the County, and for the most part eliminated from the government-wide statements.

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Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. These funds are not reflected in the government-wide financial statements because the resources are not available to support county programs.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

Major Fund Budgetary Comparison

A budgetary comparison statement is included for the general and road funds in this report. This statement demonstrates compliance with the County's adopted and final revised budget with budget transfers and supplemental appropriations.

The final 2013 general fund expenditure budgets were \$1,080,682 more than the original 2013 expenditure budgets. No significant budget modifications were made in any specific departments. A chart of 2013 general fund budgeted revenues and budgeted expenditures by category and a five year actual revenue and expenditure comparison is located on page 12.

Financial Analysis of the County as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County as a whole.

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2012	2013	2012	2013	2012	2013	2013-2012
Assets:							
Current and other assets	\$ 27,467,440	\$ 30,298,181	\$ 5,065,669	\$ 4,625,647	\$ 32,533,109	\$ 34,923,828	7.3%
Capital assets	69,784,749	126,181,723	57,483,407	56,579,118	127,268,156	182,760,841	43.6%
Total Assets	97,252,189	156,479,904	62,549,076	61,204,765	159,801,265	217,684,669	36.2%
Liabilities:							
Current liabilities	3,331,860	2,135,641	3,194,810	854,399	6,526,670	2,990,040	-54.2%
Long-term liabilities	20,043,638	22,492,462	21,039,122	22,242,348	41,082,760	44,734,810	8.9%
Total Liabilities	23,375,498	24,628,103	24,233,932	23,096,747	47,609,430	47,724,850	0.2%
Net Position:							
Invested in capital assets, net of related debt	53,974,749	109,408,071	34,263,398	35,026,074	88,238,147	144,434,145	63.7%
Restricted	7,105,290	10,645,633	200,501	714	7,305,791	10,646,347	45.7%
Unrestricted	12,796,652	11,798,097	3,851,245	3,081,230	16,647,897	14,879,327	-10.6%
Total Net Position	\$ 73,876,691	\$131,851,801	\$ 38,315,144	\$ 38,108,018	\$112,191,835	\$169,959,819	51.5%

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Management's Discussion and Analysis

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Capital assets increased in \$55.5 million dollars from 2012 to 2013 due to a correction of infrastructure related to roads and bridges.

The LT debt increased from 2012 to 2013 in the governmental activities funds due to a \$2.3 million dollar bond issue for Jail Renovation. The business type activities long-term liabilities decreased with regular scheduled debt payments.

There is a decrease in 2013 business-type total capital assets from 2012 of nearly \$1 million due to current year depreciation expense exceeding capital asset additions

The County reported capital assets, net of related debt, in governmental-type activities of \$109,408,071. There is a \$55.4 million increase due to mainly to a prior period adjustment to properly reflect road and bridge infrastructure. Capital assets reported net of related debt in business-type activities is at \$35,026,074 for 2013. Note that approximately 82.9% of the 2013 governmental activities net position, net of related debt, are tied up in capital. Business activities capital assets, net of related debt, are 92% at this time. The County uses capital assets to provide services to its citizens.

Total Net Position increased in 2013 governmental activities from 2012 by \$58.1 million and decreased by \$207,000 in business-type activities. The increase in governmental activities is due to the infrastructure capital assets correction of \$63.7 million. The decrease in business-type activities is mainly due to grant and subsidies to the Belfair Wastewater project. Belfair Wastewater project which was operational in 2012.

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January 1, 2013 through December 31, 2013

The following table provides a summary of the County's change in net position:

	Summary of Changes in Net Position						Percentage Change 2013-2012
	Governmental Activities		Business-Type Activities		Total Primary Government		
	2012	2013	2012	2013	2012	2013	
Revenues/Activity Statement:							
Charges for services	\$ 5,437,925	\$ 7,476,213	\$ 4,539,031	\$ 5,084,094	\$ 9,976,956	\$ 12,560,307	25.9%
Operating grants and contributions	11,772,577	10,513,913	44,867	718,424	11,817,444	11,232,337	-5.0%
Capital grants and contributions	1,639,618	704,852	2,539,495	967,041	4,179,113	1,671,893	-60.0%
General:							
Property taxes	18,057,400	18,890,164	-	-	18,057,400	18,890,164	4.6%
Sales and use taxes	5,458,565	5,852,858	-	-	5,458,565	5,852,858	7.2%
Excise tax	921,836	1,653,070	-	-	921,836	1,653,070	79.3%
Other taxes	2,046,806	-	-	-	2,046,806	-	-100.0%
Interest and investment earnings	247,658	1,393,342	1,527	2,350	249,185	1,395,692	460.1%
Special items	-	201,282	-	-	-	201,282	n/a
Total Revenue and Transfers	45,582,385	46,685,694	7,124,920	6,771,909	52,707,305	53,457,603	1.4%
Program Expenses:							
General government	8,870,862	8,589,193	-	-	8,870,862	8,589,193	-3.2%
Judicial	3,095,616	2,590,131	-	-	3,095,616	2,590,131	-16.3%
Public safety	12,986,788	13,383,764	-	-	12,986,788	13,383,764	3.1%
Physical environment	324,685	1,374,788	-	-	324,685	1,374,788	323.4%
Transportation	13,819,893	17,615,934	-	-	13,819,893	17,615,934	27.5%
Economic environment	2,304,227	632,641	-	-	2,304,227	632,641	-72.5%
Human and health services	2,743,656	3,597,861	-	-	2,743,656	3,597,861	31.1%
Cultural and recreation	1,106,921	785,932	-	-	1,106,921	785,932	-29.0%
Interest on long-term debt	991,158	699,160	-	-	991,158	699,160	-29.5%
Solid waste management	-	-	2,430,096	2,672,451	2,430,096	2,672,451	10.0%
Sewer & water activities	-	-	4,002,334	4,822,456	4,002,334	4,822,456	20.5%
Utilities	-	179,653	-	-	-	179,653	100.0%
Total Program Expenses	46,243,806	49,449,057	6,432,430	7,494,907	52,676,236	56,943,964	8.1%
Excess (Deficiency)	(661,421)	(2,763,363)	692,490	(722,998)	31,069	(3,486,361)	-11321.3%
Net transfers	(259,028)	(1,318,002)	259,028	1,318,002	-	-	0.0%
Change in Net Position	(920,449)	(4,081,365)	951,518	595,004	31,069	(3,486,361)	-11321.3%
Net position as of January 1	74,797,140	73,698,816	37,363,626	38,315,145	112,160,766	112,013,961	-0.1%
Prior period adjustment	-	62,234,350	-	(802,131)	-	61,432,219	n/a
Net position as of January 1, as restated	74,797,140	135,933,166	37,363,626	37,513,014	112,160,766	173,446,180	54.6%
Net Position as of December 31	\$ 73,876,691	\$ 131,851,801	\$ 38,315,144	\$ 38,108,018	\$ 112,191,835	\$ 169,959,819	51.5%

GOVERNMENTAL REVENUES AND EXPENSES

The County is heavily reliant on property and sales taxes to support governmental operations. These two taxes represent nearly 47% of the County's governmental activities total revenues. While criminal justice (Judicial and Public Safety) revenues make up approximately 9% of Governmental Activities revenues, the expenditures for criminal justice purposes consume over 33% of the Governmental Activities revenues. General governmental program revenues (charges for services) and grants cover 56% of the general governmental operating expenses. The government wide statement of activities has more information available by function, program and activity.

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Management's Discussion and Analysis

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The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
Function:				
General government	\$ 8,589,193	17%	\$ (3,800,979)	12%
Judicial	2,590,131	5%	(9,340)	0%
Public safety	13,383,764	27%	(12,000,118)	39%
Physical environment	1,374,788	3%	(768,851)	2%
Transportation	17,615,934	36%	(13,665,044)	44%
Economic environment	632,641	1%	1,181,871	-4%
Human and health services	3,597,861	7%	(381,235)	1%
Cultural and recreation	785,932	2%	(434,292)	1%
Interest on long-term debt	699,160	1%	(699,160)	2%
Utilities	179,653	0%	(176,931)	1%
Totals	\$ 49,449,057	100%	\$ (30,754,079)	100%

The Transportation function is the largest portion of governmental activities total cost of service and net cost of service. The criminal justice functions (Judicial and Public Safety) represent over 33% of the gross costs of services and more than 42% of the net costs of services.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

During 2013, the revenues for the proprietary funds decreased by over \$353,000 (4.9%) from 2012 to 2013. This decrease is in the capital grants and contributions in the Belfair Sewer which decreased 38.5% over 2012.

Total Program expenses increased 17% or \$1.1 million. This increase mainly occurred in the sewer and water business activities of the County. Part of this increase is a result of about \$600,000 higher depreciation in 2013 than in 2012.

For 2013, proprietary funds showed a change in net position of \$595,004 (before prior period adjustments) versus an increased change in net position of \$951,518 in 2012.

Mason County Washington

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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental funds reported ending fund balances of \$19,617,437. Of this total \$2,992,090 is restricted for County Roads and \$2,975,731 is restricted for capital improvement expenditures. The total ending fund balances of governmental funds showed an increase of \$3,158,797 from 2012. The Statement of Revenues, Expenditures, and Changes in Fund Balance located on page 20 shows the fund balances and activity more clearly.

Major Governmental Funds

The General (or Current Expense) Fund is the County's primary operating fund and is the largest source of day to day service delivery. The General Fund's ending fund balance increased \$1.2 million, or 17% from 2012's final ending fund balance.

Total revenues for the General Fund during 2013 were \$25,106,038, an increase of \$197,713 (1%) more than 2012. Of the \$25.1 million in 2013 revenues reported in the General Fund 59% are from taxes. Of this \$14.7 million in taxes, \$9.7 million (66%) were property taxes, \$3.9 million (27%) were sales and use taxes, and \$1.1 million (7%) were from excise and other taxes.

Total 2013 General Fund actual expenditures of \$24.7 million reflect an increase from 2012 of \$127,613 (less than 1%). Public safety expenditures of \$12.1 million made up 49% of the 2013 total expenditures. Public safety expenses increased slightly at 3%, due to inflation. General Government expenditures of \$7.7 million were 31% of the total general fund expenditures without transfers. Expenditures remained fairly stable.

General Fund transfers out during 2013 were \$604,931, a decrease of \$113,581 from 2012. Public Health Services Fund received \$460,935, or 76%, of the transfers from the General Fund. Other attributing transfers were \$23,996 to the Trial Court Improvement Fund, \$20,000 to the Cumulative Reserve/Insurance Fund, and \$100,000 to the Legal Reserve Fund.

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	General Fund Actual Revenues and Expenditures				
	2009	2010	2011	2012	2013
Actual Revenues:					
Taxes	\$ 13,690,281	\$ 15,225,167	\$ 15,595,037	\$ 15,715,882	\$ 14,699,801
Licenses and permits	768,706	700,300	599,286	558,524	1,002,508
Intergovernmental revenues	3,323,040	4,552,155	4,106,209	4,162,018	3,726,771
Charges for services	3,605,197	3,321,999	3,039,377	3,315,175	3,532,124
Fees and fines	946,598	796,908	828,189	783,726	1,104,374
Investment and miscellaneous	390,526	309,774	364,054	373,000	1,453,891
Transfers in	2,368,910	545,205	149,454	111,849	145,533
Total Actual Revenues	25,093,258	25,451,508	24,681,606	25,020,174	25,665,002
Actual Expenditures:					
General and government services	6,821,585	6,480,655	6,307,689	7,433,525	7,701,396
Judicial	2,765,201	2,575,393	2,680,542	2,799,876	2,357,179
Public safety	10,874,903	10,209,670	10,857,278	11,674,791	12,111,148
Physical environment	176,720	176,749	174,128	169,038	1,578,052
Economic	2,217,472	1,562,853	1,829,634	1,571,742	-
Health and human services	200,510	187,585	207,950	211,154	217,896
Culture and recreation	736,636	619,224	653,551	676,222	640,329
Debt service	116,868	98,785	98,786	74,991	-
Capital outlay	23,807	47,817	-	-	132,952
Transfers out to other funds	725,458	506,376	477,406	718,512	604,931
Total Actual Expenditures	24,659,160	22,465,107	23,286,964	25,329,851	25,343,883
Difference in Revenues and Expenditures	\$ 434,098	\$ 2,986,401	\$ 1,394,642	\$ (309,677)	\$ 321,119
Cash and Investments on Hand	\$ 2,607,416	\$ 5,593,817	\$ 6,988,459	\$ 6,678,782	\$ 7,319,976

The Road Fund: The Road fund ended 2013 with a \$2.9 million fund balance. This is an increase of \$939,217 or 45%. Revenues decreased 2% or \$247,258. The main sources of revenue remained stable, but the miscellaneous revenues decreased by over \$200,000. Expenditures in the Road Fund were \$12.1 million at December 31, 2013 compared to \$13.8 million at December 31, 2012. This decrease resulted from less transportation capital projects underway in 2013.

The Capital Project Fund: Tax revenue of \$898,692 made up 71% of the revenues. Intergovernmental and grants of \$214,368 made up 17% of revenues in 2013. Revenues compared to 2012 decreased more than \$2.0 million. This is the result of reduced grant revenues. Likewise, expenditures in 2013, compared to 2012 decreased over \$3.0 million. Capital expenditures were \$487,527 of the total \$669,613 in 2013 expenditures excluding transfers out. Transfers out include bond payments made for the 3rd & Pine public safety buildings. The Capital Project Fund ended with a \$2,975,731 fund balance, an increase of \$1.9 million over 2012. This is a result of received bond proceeds, but not yet spending them.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Mason County has four major business-type activity funds: Landfill, North Bay Sewer, Rustlewood Sewer and Belfair Sewer.

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The Landfill Fund ended the year with operating gain of \$6,775 for a final net position at the end of 2013 of \$657,008. The total increase in net position was \$28,479 after transfers in and out and operating grants.

The **North Bay Sewer fund** presents an operating income of \$133,986, but after interest expense and capital contributions presents a decline in net position of \$182,376 ending 2013 with \$8,043,475. The net position invested in capital assets, net of related debt decreased slightly for 2013 as the utility depreciated assets at a greater rate than they are added. Unrestricted net position of this fund is \$828,698 at December 31, 2013.

The **Rustlewood Sewer Fund** presents a minimal operating income of \$368, with a total decrease in net position of \$82,509. Total net position at December 31, 2013 is \$844,538. Eleven percent of the net position of this fund is unrestricted, the rest is invested in capital assets.

The **Belfair Sewer Fund** presents an operating loss of \$1.5 million at the end of December 2013. After capital contributions and transfers in from other funds, this fund presents an increase in net position of \$705,000, ending the year at \$27,664,482 in total net position. \$26,527,095 or 96% is invested in capital assets, net of related debt. This fund started operations in 2013.

Budgetary Highlights

The General Fund - Budget amendments and supplemental appropriations are made to increase appropriations for unanticipated expenditures after adoption of the original budget.

During 2013 both the General Fund's original revenue budgets were increased by \$38,227 from \$23,760,330 to \$23,798,557 through supplemental appropriations. The General Fund expenditures were increased by \$995,682 (4%) from \$24.8 million to \$25.8 million. The final ending fund budgeted balance for the General Fund was \$3,722,137 versus \$3,780,439 in 2012.

Actual General Fund revenues were \$1,307,481 over budget, which represents 5% more than the final budgeted revenues for the year without the beginning budgeted fund balance.

Actual General Fund expenditures were \$1,053,588 under budget, which represents 4% less than the final budgeted expenditures for the year without the ending budgeted fund balance.

Debt Administration and Capital Assets

Long-Term Debt - At the end of the fiscal year, the County had a total ending governmental activities general obligation bond debt balance of \$17,388,652. A \$2.3 million dollar bond was issued for Jail Renovations and scheduled payments of \$730,000 were made.

The County also had a total business-type activities general obligation bond debt balance of \$10,128,412 at the end of 2013. The only change in bonded debt is the \$2.1 million scheduled principal payments.

At the end of the fiscal year business-type funds are liable for a total of \$11,424,631 in loans to Department of Ecology. The Belfair Wastewater Project makes up \$8,212,512, North Bay/Case Inlet

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Wastewater is \$3,190,810, and Rustlewood Sewer is \$21,311 of the total loans to Department of Ecology.

Long-Term Debt

The following table is a summary of Mason County's long-term debt:

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2012	2013	2012	2013	2012	2013	2013-2012
General obligation debt	\$ 15,810,000	\$ 17,388,652	\$ 12,220,571	\$ 10,128,413	\$ 28,030,571	\$ 27,517,065	-1.8%
DOE loans	-	-	10,999,438	11,424,631	10,999,438	11,424,631	3.9%
Compensated absences	3,601,543	3,565,872	133,319	139,304	3,734,862	3,705,176	-0.8%
Landfill post closure	-	-	550,000	550,000	550,000	550,000	0.0%
Other liabilities-OPEB	1,362,095	1,537,938	-	-	1,362,095	1,537,938	12.9%
Total Debt	\$ 20,773,638	\$ 22,492,462	\$ 23,903,328	\$ 22,242,348	\$ 44,676,966	\$ 44,734,810	0.1%

The percentage of change reflects total governmental and business-type activities from year to year. See Notes to Financial Statements (Note 9 and Note 10) for additional information about the County's long-term debt.

Capital Assets

The following table provides a summary of capital asset activity:

	Governmental Activities		Business Type Activities		Total		Percentage Change
	2012	2013	2012	2013	2012	2013	2013-2012
Nondepreciable Assets:							
Land	\$ 6,546,982	\$ 6,546,982	\$ 2,022,163	\$ 2,022,163	\$ 8,569,145	\$ 8,569,145	0.0%
Right of Ways	4,269,893	4,277,403	-	-	4,269,893	4,277,403	0.2%
Consturction in progress	367,829	970,033	-	-	367,829	970,033	163.7%
Total Nondepreciable Assets	11,184,704	11,794,418	2,022,163	2,022,163	13,206,867	13,816,581	4.6%
Depreciable Assets:							
Buildings	26,632,374	26,984,166	692,362	692,362	27,324,736	27,676,528	1.3%
Other improvements	7,474,037	7,538,764	63,931,258	65,168,189	71,405,295	72,706,953	1.8%
Infrastructure	38,546,136	184,966,471	-	-	38,546,136	184,966,471	379.9%
Equipment	13,972,051	14,954,023	380,572	527,780	14,352,623	15,481,803	7.9%
Total Depreciable Assets	86,624,598	234,443,424	65,004,192	66,388,331	151,628,790	300,831,755	98.4%
Less accumulated depreciation	28,024,553	120,056,119	9,542,948	11,831,376	37,567,501	131,887,495	
Book Value Depreciable Assets	58,600,045	114,387,305	55,461,244	54,556,955	114,061,289	168,944,260	48.1%
Percentage depreciated	32%	51%	15%	18%	27%	69%	155.7%
Total Book Value	69,784,749	\$ 126,181,723	\$ 57,483,407	\$ 56,579,118	\$ 127,268,156	\$ 182,760,841	43.6%

Mason County Washington

Management's Discussion and Analysis

January 1, 2013 through December 31, 2013

The governmental activities decreased by \$56.4 million due to prior period activity for additions of road infrastructure revaluations. 2013 business type activity decreased by \$904 thousand as additions of infrastructure, equipment and construction in progress was less than the depreciation expense for the year.

Issues and Economic Conditions Affecting the County

The Board of Commissioners considered many factors when setting the budget, tax rates, and fees to charge for the business-type activities. One of those factors is the economy. Unemployment rates in Mason County are improving slightly compared to one year ago, however, the Employment Security Department urges caution. The improvement may be due to fewer people eligible for extended Federal benefits.

These and other factors are considered in preparing the Mason County budget.

General Fund Budget - The 2014 General Fund (Current Expense) budget adopted by the County Commissioners was \$33.8 million. Approximately 42% (5% in General Services/ Prosecutor) of the General Fund Budget was allocated for Criminal Justice operations; i.e.: Courts, Jail, Coroner, Child Support, Dispatch, Probation Services, Prosecutor, and the Sheriff's Department. The remaining 37% of the budget allocations supports the rest of the General Fund departments.

County Roads - The Mason County Road Fund is dedicated to enhancing the quality of life in our community through the preservation, design and construction of a safe and effective county transportation infrastructure. In 2013 the county road department spent over \$12 million in maintaining and constructing county roads. Currently the road department maintains 616.15 miles of roadway. The Road Department maintains nearly 60 bridges and 3,100 culverts throughout the County. The construction program expends an average of five million per year on construction projects.

MASON COUNTY
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 19,044,214	\$ 1,292,268	\$ 20,336,482
Investments	6,094,077	1,656,762	7,750,839
Taxes receivable	1,135,496	-	1,135,496
Receivables, net	75,965	689,149	765,114
Internal balances	(63,003)	63,003	-
Due from other governments	2,513,217	320,827	2,834,044
Inventories	714,074	-	714,074
Prepays	31,923	-	31,923
Total Current Assets:	29,545,963	4,022,009	33,567,972
Noncurrent Assets:			
Restricted cash for debt service	752,218	714	752,932
Restricted cash for capital	-	602,924	602,924
Capital Assets, Not Being Depreciated:			
Land	6,546,982	2,022,163	8,569,145
Right of ways	4,277,403	-	4,277,403
Construction in progress	970,033	-	970,033
Capital Assets Net of Accumulated Depreciation:			
Buildings	19,972,584	2,648	19,975,232
Improvement other than buildings	6,198,614	54,525,422	60,724,036
Infrastructure	84,025,633	-	84,025,633
Machinery and equipment	4,190,474	28,885	4,219,359
Total Capital Assets	126,181,723	56,579,118	182,760,841
Total noncurrent assets	126,933,941	57,182,756	184,116,697
Total Assets	156,479,904	61,204,765	217,684,669

Liabilities**Current Liabilities:**

Accounts payable	1,138,492	251,475	1,389,967
Other current liabilities	997,149	-	997,149

Other Liabilities:

OPEB liability	1,537,938	-	1,537,938
Retainage Payable		602,924	602,924
Compensated absences payable	3,565,872	139,304	3,705,176
Post-closure liability	-	550,000	550,000
Bonds, notes, loans payable-due within one year	200,000	838,542	1,038,542
Bonds, notes, loans payable-due in more than one year	17,188,652	20,714,502	37,903,154

Total Liabilities	24,628,103	23,096,747	47,724,850
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Net Position

Invested in capital assets, net of related debt	109,408,071	35,026,074	144,434,145
Restricted for-			
Capital projects	2,360,731	-	2,360,731
Transportation	3,928,692	-	3,928,692
Other purposes	4,356,210	714	4,356,924
Unrestricted (Deficit)	11,798,097	3,081,230	14,879,327

Total Net Position	\$ 131,851,801	\$ 38,108,018	\$ 169,959,819
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MASON COUNTY
Statement of Activities
Year Ended December 31, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Capital Grants, and Contributions	
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions	Changes in net assets
Primary Government					
Governmental Activities:					
General government	\$ 8,589,193	\$ 4,008,333	\$ 281,545	\$ 498,336	\$ (3,800,979)
Judicial	2,590,131	492,899	2,087,892	-	(9,340)
Public safety	13,383,764	875,732	507,914	-	(12,000,118)
Utilities	179,653	2,722	-	-	(176,931)
Physical environment	1,374,788	-	605,937	-	(768,851)
Transportation	17,615,934	171,133	3,578,770	200,987	(13,665,044)
Economic environment	632,641	1,275,480	537,316	1,716	1,181,871
Health and human services	3,597,861	533,690	2,679,123	3,813	(381,235)
Culture and Recreation	785,932	116,224	235,416	-	(434,292)
Interest on long-term debt	699,160	-	-	-	(699,160)
Total Primary Government Governmental Activities	49,449,057	7,476,213	10,513,913	704,852	(30,754,079)
Business-Type Activities:					
Solid waste management	2,672,451	2,733,117	87,686	-	148,352
Sewer and water activities	4,822,456	2,350,977	630,738	967,041	(873,700)
Total Business-Type Activities	7,494,907	5,084,094	718,424	967,041	(725,348)
Total Primary Government	\$ 56,943,964	\$ 12,560,307	\$ 11,232,337	\$ 1,671,893	\$ (31,479,427)

MASON COUNTY
Primary Government - Statement of Activities
Year Ended December 31, 2013

	Net (Expense) Revenue and Changes in Net Position		Total
	Governmental Activities	Business-Type Activities	
Primary Government			
Governmental Activities:			
General government	\$ (3,800,979)	\$ -	\$ (3,800,979)
Judicial	(9,340)	-	(9,340)
Public safety	(12,000,118)	-	(12,000,118)
Utilities	(176,931)	-	(176,931)
Physical environment	(768,851)	-	(768,851)
Transportation	(13,665,044)	-	(13,665,044)
Economic environment	1,181,871	-	1,181,871
Health and human services	(381,235)	-	(381,235)
Culture and recreation	(434,292)	-	(434,292)
Interest on long-term debt	(699,160)	-	(699,160)
Total Primary Government Governmental Activities	(30,754,079)	-	(30,754,079)
Business-Type Activities:			
Solid waste management	-	148,352	148,352
Sewer and water activities	-	(873,700)	(873,700)
Total Business-Type Activities	-	(725,348)	(725,348)
Total Primary Government	(30,754,079)	(725,348)	(31,479,427)
General Revenues:			
Taxes-			
Property taxes	18,890,164	-	18,890,164
Sales and use tax	5,852,858	-	5,852,858
Excise tax	1,653,070	-	1,653,070
Penalties and interest, timber harvest tax, cable taxes	-	-	-
Other general revenues-			
Interest and investment earnings	1,393,342	2,350	1,395,692
Sale of capital assets	201,282	-	201,282
Transfers	(1,318,002)	1,318,002	-
Total General Revenues, Special Items, and Transfers	26,672,714	1,320,352	27,993,066
Change in Net Position	(4,081,365)	595,004	(3,486,361)
Net position, January	73,698,816	38,315,145	112,013,961
Prior period adjustment	62,234,350	(802,131)	61,432,219
Net Position, December 31	\$ 131,851,801	\$ 38,108,018	\$ 169,959,819

MASON COUNTY
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Road Fund	Capital Projects Fund	Other Governmental Funds	Total Government Funds
Assets:					
Cash and cash equivalents	\$ 7,319,976	\$ 4,161,594	\$ 2,496,135	\$ 2,931,490	\$ 16,909,195
Investments	-	57,000	1,060,052	2,344,273	3,461,325
Cash with fiscal/trustee (Court Trust)	844,619	-	-	-	844,619
Taxes receivable	620,508	507,932	-	7,056	1,135,496
Interest receivable	46,712	100	126	256	47,194
Receivables, net	-	28,089	-	-	28,089
Due from other funds	-	215,601	-	-	215,601
Interfund loans receivable	-	534,467	-	-	534,467
Due from other governmental units	1,113,641	701,164	10,764	685,832	2,511,401
Restricted assets	-	752,218	-	-	752,218
Total Assets	\$ 9,945,456	\$ 6,958,165	\$ 3,567,077	\$ 5,968,907	\$ 26,439,605
Liabilities, Deferred Inflows and Fund Balances:					
Warrants payable	\$ 534,706	\$ -	\$ 10,088	\$ 71,926	\$ 616,720
Vouchers payable	89,982	242,795	46,791	51,575	431,143
Due to other funds	19,474	454,024	-	13,232	486,730
Interfund loans payable	-	2,000,000	534,467	-	2,534,467
Other accrued liabilities	844,619	123,746	-	-	968,365
Total liabilities	1,488,781	2,820,565	591,346	136,733	5,037,425
Deferred Inflows:					
Unavailable revenue - property taxes	620,508	507,932	-	18,725	1,147,165
Unavailable revenue - grants	-	637,578	-	-	637,578
Deferred inflows	620,508	1,145,510	-	18,725	1,784,743
Fund balances:					
Restricted	-	2,992,090	2,975,731	4,184,556	10,152,377
Committed	-	-	-	1,628,893	1,628,893
Unassigned	7,836,167	-	-	-	7,836,167
Total fund balances	7,836,167	2,992,090	2,975,731	5,813,449	19,617,437
Total Liabilities, Deferred Inflows and Fund Balances	\$ 9,945,456	\$ 6,958,165	\$ 3,567,077	\$ 5,968,907	\$ 26,439,605

MASON COUNTY
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2013

Total fund balances as shown on the Governmental Funds Balance Sheet	\$ 19,617,437
Capital assets net of the related accumulated depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Assets.	121,544,024
Deferred inflows of resources	1,784,743
Internal service funds are used by management to charge the costs of certain activities, such as equipment rental, unemployment insurance, motor pool, and data processing to certain funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	11,257,415
Other liabilities such as compensated absences and bonds payable that are not due and payable in the current period are not reported in the funds.	<u>(22,351,818)</u>
Total adjustments	<u>112,234,364</u>
Total Net Position of Governmental Activities	<u><u>\$ 131,851,801</u></u>

MASON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Road Fund	Capital Projects Fund	Other Governmental Funds	Total Government Funds
Revenues:					
Taxes	\$ 14,699,801	\$ 8,736,932	\$ 898,692	\$ 1,580,824	\$ 25,916,249
Licenses and permits	1,002,508	99,505	-	225,975	1,327,988
Intergovernmental revenues	3,726,771	4,880,280	214,368	1,692,494	10,513,913
State DNR Timber Transfer Trust revenues	-	-	-	-	-
Charges for services	3,532,124	83,520	146,000	1,158,145	4,919,789
Fees and fines	1,104,374	50	-	13,187	1,117,611
Investment and miscellaneous	1,040,460	51,458	7,049	287,070	1,386,037
Total Revenues	25,106,038	13,851,745	1,266,109	4,957,695	45,181,587
Expenditures:					
General government	7,701,396	128,183	2,910	723,499	8,555,988
Judicial	2,357,179	-	-	-	2,357,179
Public safety	12,111,148	332,591	8,800	290,975	12,743,514
Utilities	-	-	-	179,653	179,653
Physical environment	1,578,052	-	-	403,741	1,981,793
Transportation	-	8,020,003	-	-	8,020,003
Economic environment	-	-	-	-	-
Health and human services	217,896	-	-	3,334,680	3,552,576
Culture and recreation	640,329	-	120,032	6,908	767,269
Debt service-					
Principal	-	-	-	730,000	730,000
Interest and other charges	-	-	50,344	648,816	699,160
Capital outlay	132,952	3,613,331	487,527	47,887	4,281,697
Total Expenditures	24,738,952	12,094,108	669,613	6,366,159	43,868,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	367,086	1,757,637	596,496	(1,408,464)	1,312,755
Other Financing Sources (Uses):					
Capital asset donations and dispositions	388,659	200,987	459	209,505	799,610
Other sources	24,772	21,456	-	5,033	51,261
Proceeds of long term debt	-	-	2,285,000	-	2,285,000
Bond premium	-	-	23,652	-	23,652
Transfers in	145,533	-	-	2,143,709	2,289,242
Transfers out	(604,931)	(1,238,503)	(1,035,209)	(724,080)	(3,602,723)
Total Other Financing Sources	(45,967)	(1,016,060)	1,273,902	1,634,167	1,846,042
Net Change in Fund Balances	321,119	741,577	1,870,398	225,703	3,158,797
Fund balances, beginning of year	6,678,782	2,052,873	1,105,333	5,393,984	15,230,972
Prior period adjustment	836,266	197,640	-	193,762	1,227,668
Fund Balances, End of Year	\$ 7,836,167	\$ 2,992,090	\$ 2,975,731	\$ 5,813,449	\$ 19,617,437

MASON COUNTY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2013

Net change in fund balances for total governmental funds	\$ 3,158,797
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net asset and allocated over the estimated useful lives as annual depreciation expenses in the Statement of Activities.</p>	
Capital outlay	4,808,350
Disposition of capital assets	
Depreciation	(9,530,238)
<p>Governmental funds report revenue in the current period for revenues deferred in prior periods since they were not available financing sources at the time. Government-wide statements record revenues at the time they are earned. This amount accounts for the change in deferred revenues during 2013.</p>	
	476,829
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. The entry is the net effect of these differences in the treatment of long-term debt issuance and payments.</p>	
Bond and long-term debt principal payments	730,000
Bond proceeds	(2,285,000)
Bond premium	(23,652)
Recording change in governmental funds compensated absences payable	30,931
Recording increase in OPEB obligation	(175,843)
<p>Internal service fund expenses are allocated to other funds. The net expense of certain internal service fund activities are reported with governmental activities on the Statement of Activities.</p>	
Net loss	<u>(1,271,539)</u>
Total adjustments	<u>(7,240,162)</u>
Change in Net Position of Governmental Activities	<u>\$ (4,081,365)</u>

Mason County
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2013

	GENERAL FUND				ROAD FUND			
	2013 Actual	2013 Adopt Budget	2013 Final Budget	Variance from Final Budget	2013 Actual	2013 Adopt Budget	2013 Final Budget	Variance from Final Budget
Revenues:								
Taxes	\$ 14,699,801	\$ 14,495,200	\$ 14,495,200	\$ 204,601	\$ 8,736,932	\$ 8,570,100	\$ 8,570,100	\$ 166,832
Licenses & Permits	1,002,508	645,087	645,087	357,421	99,505	65,000	65,000	34,505
Intergovernmental Revenues	3,726,771	3,145,667	3,158,167	568,604	4,880,280	7,159,553	7,159,553	(2,279,273)
Charges for Services	3,532,124	3,572,091	3,577,391	(45,267)	83,520	223,388	223,388	(139,868)
Fees and Fines	1,104,374	1,145,619	1,145,619	(41,245)	50	500	500	(450)
Investment & Miscellaneous Revenues	1,040,460	756,666	777,093	263,367	51,458	329,323	329,323	(277,865)
Total Revenues	25,106,038	23,760,330	23,798,557	1,307,481	13,851,745	16,347,864	16,347,864	(2,496,119)
Expenditures:								
General Government Services	7,701,396	7,685,865	8,257,080	555,684	128,183	-	-	(128,183)
Judicial	2,357,179	2,477,578	2,538,578	181,399	-	-	-	-
Public Safety	12,111,148	12,041,213	12,386,280	275,132	332,591	397,358	397,358	64,767
Physical Environment	1,578,052	1,683,890	1,695,390	117,338	-	-	-	-
Transportation	-	-	-	-	8,020,003	9,218,701	9,218,701	1,198,698
Health & Human Services	217,896	212,613	212,613	(5,283)	-	-	-	-
Culture & Recreation	640,329	675,699	682,599	42,270	-	-	-	-
Debt Service-								
Interest & Other Charges	-	-	-	-	-	10	10	10
Capital Outlay	132,952	20,000	20,000	(112,952)	3,613,331	7,232,649	7,232,649	3,619,318
Total Expenditures	24,738,952	24,796,858	25,792,540	1,053,588	12,094,108	16,848,718	16,848,718	4,754,610
(Deficiency) of Revenues over Expenditures	367,086	(1,036,528)	(1,993,983)	2,361,069	1,757,637	(500,854)	(500,854)	2,258,491
Other Financing Sources (Uses):								
Capital asset donations and dispositions	388,659	230,000	405,000	(16,341)	200,987	450,000	450,000	(249,013)
Other sources	24,772	0	0	24,772	21,456	25,477	25,477	(4,021)
Proceeds of long term debt	0	0	0	0	0	0	0	-
Bond premium	-	0	0	-	0	0	0	-
Transfers In	145,533	221,227	221,227	(75,694)	0	0	0	-
Transfers Out	(604,931)	(597,107)	(682,107)	77,176	(1,238,503)	(1,235,888)	(1,235,888)	(2,615)
Total Other Financing Sources and Uses	(45,967)	(145,880)	(55,880)	9,913	(1,016,060)	(760,411)	(760,411)	(255,649)
Net Change in Fund Balances	321,119	(1,182,408)	(2,049,863)	2,370,982	741,577	(1,261,265)	(1,261,265)	2,002,842
Fund Balances, January 1, as restated	7,515,048	5,772,000	5,772,000	1,743,048	2,250,513	2,523,031	2,523,031	(272,518)
Fund Balances, December 31	7,836,167	4,589,592	3,722,137	4,114,030	2,992,090	1,261,766	1,261,766	1,730,324

MASON COUNTY
Proprietary Funds-Statement of Net Position
December 31, 2013

	Business-Type Activities - Enterprise Funds						Governmental
	Landfill	North Bay Sewer	Rustlewood Sewer	Belfair Sewer	Non-Major Other Enterprise Funds	Total	Internal Service Funds
Assets							
Current Assets:							
Cash and cash equivalents	\$ (24,438)	\$ 206,891	\$ 59,913	\$ 705,814	\$ 344,088	\$ 1,292,268	\$ 1,290,400
Investments	105,457	405,256	31,596	201,165	913,288	1,656,762	2,632,752
Receivables, net	337,081	239,824	37,744	49,108	25,392	689,149	682
Due from other funds	-	-	-	-	75,667	75,667	423,727
Interfund loans receivable	-	-	-	-	9,835	9,835	2,000,000
Due from other governments	-	-	-	320,827	-	320,827	1,816
Inventories	-	-	-	-	-	-	714,074
Prepays	-	-	-	-	-	-	31,923
Total Current Assets	418,100	851,971	129,253	1,276,914	1,368,270	4,044,508	7,095,374
Noncurrent Assets:							
Restricted cash for debt service	-	714	-	-	-	714	-
Restricted cash for capital	-	-	-	602,924	-	602,924	-
Capital assets-							
Land	311,911	407,210	-	1,303,042	-	2,022,163	193,512
Buildings	2,648	-	-	-	-	2,648	706,087
Other improvements	21,589	14,640,409	2,066,799	37,626,564	170,061	54,525,422	-
Equipment	23,363	4,920	602	-	-	28,885	3,738,100
Construction in progress	-	-	-	-	-	-	-
Total capital assets	359,511	15,052,539	2,067,401	38,929,606	170,061	56,579,118	4,637,699
Total Noncurrent Assets	359,511	15,053,253	2,067,401	39,532,530	170,061	57,182,756	4,637,699
Total Assets	777,611	15,905,224	2,196,654	40,809,444	1,538,331	61,227,264	11,733,073
Liabilities							
Current Liabilities:							
Accounts payable	64,961	15,636	30,224	135,166	5,488	251,475	119,413
Due to other funds	7,093	-	-	1,600	3,971	12,664	215,601
Interfund loans payable	-	-	9,835	-	-	9,835	-
Total Current Liabilities	72,054	15,636	40,059	136,766	9,459	273,974	335,014
Other Liabilities:							
Compensated absences	48,549	7,637	-	2,761	80,357	139,304	140,644
Retainage Payable	-	-	-	602,924	-	602,924	-
Post-closure liability	-	-	-	-	550,000	550,000	-
Bonds, notes, loans payable-due within one	-	453,098	20,857	364,587	-	838,542	-
Bonds, notes, loans payable-due in more than one	-	7,385,378	1,291,200	12,037,924	-	20,714,502	-
Total Other Liabilities	48,549	7,846,113	1,312,057	13,008,196	630,357	22,845,272	140,644
Total Liabilities	120,603	7,861,749	1,352,116	13,144,962	639,816	23,119,246	475,658
Net Position:							
Investment in capital assets, net of related c	359,511	7,214,063	755,344	26,527,095	170,061	35,026,074	4,637,699
Restricted for debt reserves	-	714	-	-	-	714	-
Unrestricted	297,497	828,698	89,194	1,137,387	728,454	3,081,230	6,619,716
Total Net Position	\$ 657,008	\$ 8,043,475	\$ 844,538	\$ 27,664,482	\$ 898,515	\$ 38,108,018	\$ 11,257,415

MASON COUNTY
Proprietary Funds-Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Landfill	North Bay Sewer	Rustlewood Sewer	Belfair Sewer	Non-Major Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues:							
Charges and fees for services	\$ -	\$ 1,459,325	\$ 216,912	\$ 468,258	\$ -	\$ 2,144,495	\$ 77,860
Utilities sales and service fees	2,667,404	-	-	-	182,607	2,850,011	1,350,739
Interfund rentals	-	-	-	-	-	-	1,660,006
Other operating revenues	-	-	-	-	-	-	-
Total Operating Revenues	2,667,404	1,459,325	216,912	468,258	182,607	4,994,506	3,088,605
Operating Expense:							
General operations	2,455,877	559,918	80,687	702,898	204,302	4,003,682	2,983,023
General administration	170,759	39,953	6,890	-	446,295	663,897	614,374
Depreciation/Amortization/Depletion	33,993	725,468	128,967	1,260,168	7,081	2,155,677	932,532
Total Operating Expense	2,660,629	1,325,339	216,544	1,963,066	657,678	6,823,256	4,529,929
Operating (Loss) Income	6,775	133,986	368	(1,494,808)	(475,071)	(1,828,750)	(1,441,324)
Nonoperating Revenues (Expenses):							
Interest and investment income	5	29	27	1,165	1,129	2,355	4,296
Interest expense	(27)	(224,288)	(54,676)	(380,865)	-	(659,856)	-
Gains (Losses) on capital asset disposition	(11,800)	-	-	-	-	(11,800)	5,900
Grants	87,686	-	-	630,738	-	718,424	-
Nonoperating revenues (nonoperating expenses)	65,713	1,692	197	24	21,962	89,588	65,586
Total Nonoperating Revenues (Expenses)	141,577	(222,567)	(54,452)	251,062	23,091	138,711	75,782
(Loss) Income Before Capital Contributions, Transfers and Special Items	148,352	(88,581)	(54,084)	(1,243,746)	(451,980)	(1,690,039)	(1,365,542)
Other Revenues and Transfers:							
Capital contributions	-	57,629	125	902,664	6,623	967,041	98,524
Special items	-	-	-	-	-	-	-
Transfers in	17,181	-	-	1,168,000	660,643	1,845,824	-
Transfers out	(137,054)	(151,424)	(28,550)	(121,500)	(89,294)	(527,822)	(4,521)
Total Other Revenues and Transfers	(119,873)	(93,795)	(28,425)	1,949,164	577,972	2,285,043	94,003
Change in Net Position	28,479	(182,376)	(82,509)	705,418	125,992	595,004	(1,271,539)
Net position, beginning of year	628,529	8,225,851	927,047	27,761,195	772,523	38,315,145	12,528,954
Prior period adjustment	-	-	-	(802,131)	-	(802,131)	-
Net position, beginning of year, as restated	628,529	8,225,851	927,047	26,959,064	772,523	37,513,014	12,528,954
Net Position, End of Year	\$ 657,008	\$ 8,043,475	\$ 844,538	\$ 27,664,482	\$ 898,515	\$ 38,108,018	\$ 11,257,415

MASON COUNTY

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Landfill	North Bay Sewer	Rustlewood Sewer	Belfair Sewer	Non-Major Other Enterprise Funds		Internal Service Funds
Cash Flows From Operating Activities:							
Receipts from customers	\$ 2,586,290	\$ 1,414,183	\$ 221,238	\$ 443,073	\$ 182,606	\$ 4,847,390	\$ 3,089,182
Payments for wages and benefits	(432,832)	(211,445)	(18,677)	(151,070)	(427,972)	(1,241,996)	(653,203)
Payments to suppliers for goods and services	(2,294,148)	(388,122)	(43,627)	(532,711)	(217,620)	(3,476,228)	(2,809,494)
Other receipts (payments) intergovernmental	65,713	(149,732)	(28,353)	24	(53,705)	(166,053)	65,586
Internal activity - payments to other funds	-	-	-	-	-	-	-
Net Cash Provided by Operating Activities	(74,977)	664,884	130,581	(240,684)	(516,691)	(36,887)	(307,929)
Cash Flows from Noncapital Financing Activities:							
Interfund loans	-	-	-	-	-	-	(174,619)
Proceeds from notes receivable	-	-	-	-	-	-	(1,990,704)
Operating grants	115,621	-	-	919,022	-	1,034,643	-
Operating transfers	(119,873)	-	-	1,046,500	571,349	1,497,976	(4,521)
Net Cash Provided by (Used in) Noncapital Financing Activities	(4,252)	-	-	1,965,522	571,349	2,532,619	(2,169,844)
Cash Flows from Capital and Related Financing Activities:							
Proceeds from capital debt	-	-	8,145	926,231	-	934,376	-
Capital contributions	-	57,629	125	2,033,282	6,623	2,097,659	98,524
Capital gains	-	-	-	-	-	-	-
Purchases of capital assets	(6,728)	(8,688)	-	(1,460,514)	-	(1,475,930)	(1,044,714)
Proceeds from sale of capital assets	-	-	-	-	-	-	5,900
Principal paid on capital debt	-	(449,574)	(20,857)	(2,429,837)	-	(2,900,268)	-
Interest paid on capital debt	(27)	(224,288)	(54,676)	(380,865)	-	(659,856)	-
Other receipts (payments)	-	-	-	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(6,755)	(624,921)	(67,263)	(1,311,703)	6,623	(2,004,019)	(940,290)
Cash Flows from Investing Activities:							
Proceeds from sales and maturities of investments	(105,001)	(355,178)	(30,023)	-	-	(490,202)	2,500,001
Payments for investments	-	-	-	(201,165)	(120,518)	(321,683)	-
Net cash provided by investing activities	5	30	27	1,164	1,131	2,357	4,296
Net Cash Provided by Investing Activities	(104,996)	(355,148)	(29,996)	(200,001)	(119,387)	(809,528)	2,504,297
Net Increase (Decrease) in cash and cash equivalents	(190,980)	(315,185)	33,322	213,134	(58,106)	(317,815)	(913,766)
Cash balances, beginning of the year	166,542	522,790	26,591	1,095,604	402,194	2,213,721	2,204,166
Cash Balances, End of the Year	\$ (24,438)	\$ 207,605	\$ 59,913	\$ 1,308,738	\$ 344,088	\$ 1,895,906	\$ 1,290,400
Operating Income (Loss):	\$ 6,775	\$ 133,986	\$ 368	\$ (1,494,808)	\$ (475,071)	\$ (1,828,750)	\$ (1,441,324)
Adjustments to reconcile operating income to net cash-							
Depreciation and amortization	33,993	725,468	128,967	1,260,168	7,081	2,155,677	932,532
Other non-operating revenues/expenses	65,713	(149,732)	(28,353)	24	21,962	(90,386)	65,586
Changes in operating assets and liabilities:							
Accounts receivable, net	(81,114)	(45,142)	4,326	(25,185)	-	(147,115)	577
Inventory and prepaid expenses	-	-	-	-	-	-	(80,625)
Accounts/vouchers payable	(106,226)	1,454	25,273	17,517	2,767	(59,215)	6,685
Compensated absences	6,811	-	-	-	-	6,811	-
Due to/from other governments	(929)	(1,150)	-	1,600	(73,430)	(73,909)	208,640
Total adjustments	(81,752)	530,898	130,213	1,254,124	(41,620)	1,791,863	1,133,395
Net Cash Provided by Operating Activities	\$ (74,977)	\$ 664,884	\$ 130,581	\$ (240,684)	\$ (516,691)	\$ (36,887)	\$ (307,929)

MASON COUNTY
Statement of Net Position - Fiduciary Funds
December 31, 2013

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 15,623,055
Cash in investments	<u>123,475,267</u>
Total Assets	<u>\$ 139,098,322</u>
Liabilities:	
Warrants payable	\$ 5,793,148
Custodial accounts	<u>133,305,174</u>
Total Liabilities	<u>\$ 139,098,322</u>
Net Position	<u>\$ -</u>

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies

The financial statements of Mason County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The County implemented the provisions of the following Governmental Accounting Standards Board (GASB) Statements for 2013: GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities; and GASB Statement No. 66, Technical Corrections –2012, which amends GASB Statements No. 10 & No. 62.

Reporting Entity - Mason County was incorporated in 1864 and operates under the laws of the State of Washington applicable to a commissioner form of government. Mason County is a general purpose government and provides for public safety, road improvements, fire prevention, parks and recreation, judicial administration, health and social services, and general administrative services.

Mason County is governed by an elected board of three county commissioners. As required by generally accepted accounting principles the financial statements present Mason County, the primary government, and its component unit. The component unit, the Skokomish Flood Zone discussed in more detail below, is included in the County reporting entity because of the significance of its operational or financial relationship with the County. These financial statements include the financial position and results of operations for all fund types and its component unit.

The Skokomish Flood Zone is a legally separate entity. Mason County does not have any legal responsibility for this district. The component unit is reported as blended due to a shared governing body. The financial information for the Skokomish Flood Zone can be obtained by contacting Mason County at P.O. Box 400, Shelton, WA 98584. The district was established on June 28, 1976 by the Mason County Board of Commissioners (Resolution No. 632) as authorized by RCW 86.15. The Commissioners are the legislative body for the District and the County Engineer is the Administrator.

Government-Wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is not to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

Note 1 - Continued

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. The County considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Mason County Reports the Following Major Governmental Funds:

The General Fund (Current Expense) is the county's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The County Roads Fund is a major special fund that accounts for revenues derived from specific taxes, grants, or other sources, which are designated to finance particular activities of Mason County.

The Capital Project Funds (includes REET 1 and REET 2) account for financial resources that are designated for the acquisition or construction of general government capital improvements. REET 1 taxes are used by Mason County for local capital improvements. REET 2 taxes are used for public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Mason County Reports the Following Major Proprietary Funds:

Landfill, North Bay Sewer, Rustlewood, and Belfair Wastewater Reclamation are funds that account for operations that provide goods or services to the general public and are supported primarily through user charges or where the governing body has decided that periodic determination of net income is needed.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

Note 1 - Continued

Additionally, Mason County Reports the Following Fund Types:

Internal service funds account for Equipment Rental and Revolving and Unemployment provided services to other departments or agencies of Mason County on a cost reimbursement basis. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. Mason County acts as treasurer for fire districts, city funds, cemetery district, ports, hospitals, public utility districts, library, school districts, and water districts.

As a general rule the effect of the interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are utility sales and service fees. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the county's policy to use unrestricted resources first and then restricted resources as needed.

Budgetary Information -

Scope of Budget

Annual appropriated budgets are adopted for the general and special revenue funds on the modified-accrual basis of accounting. Proprietary funds and internal service funds are budgeted on the accrual basis. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects.

Other budgets are adopted at the level of the fund, except in the General (Current Expense) Fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Appropriations for general and special revenue funds lapse at year-end (except for appropriations for capital outlays, which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned).

Amending the Budget

The Mason County Auditor is authorized to transfer budgeted amounts 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 their conditions of employment must be approved by the Mason County Commissioners.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

Note 1 - Continued

When the Mason County Commissioners determines that it is in the best interest of the county to increase or decrease the appropriation for a particular department it may do so by resolution approved by one more than the majority after holding public hearings.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

Assets, Liabilities, Fund Balance, and Net Position-

Cash and Cash Equivalents

It is Mason County's policy to invest all temporary cash surpluses. At December 31, 2013, the treasurer was holding \$29,170,050 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and investments in various funds. The interest on these investments is prorated to the various funds/credited to the General/Current Expense Fund. For purposes of the statement of cash flows, the county considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

See Deposits & Investments - Note #4.

Receivables

Taxes receivable consists of property taxes and related interest and penalties (See Property Taxes - Note #5). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consists of amounts owed on open account from private individuals or organizations for goods and services rendered.

Amounts Due to and From Other Funds and Governments, and Interfund Loans - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advance to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". A separate schedule of interfund loans receivable and payable is furnished in Note #13.

Inventories and Prepaid Items - Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary. Inventories in proprietary funds are valued by the FIFO weighted average method, which approximates the market value.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

Note 1 - Continued

Restricted Assets and Liabilities - Restricted assets of the Road fund are composed of a \$752,218 bond repayment reserve. Restricted assets of enterprise funds are composed of \$714 for a bond repayment reserve and \$602,924 for retainage held in trust.

Capital Assets - See Capital Assets (Note #6) - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the county as assets with an initial, individual cost of more than \$5,000. Assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The cost of normal maintenance and repairs are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Buildings, equipment, improvements and infrastructure are depreciated using the straight-line method. Estimated useful lives are as follows:

Buildings	30 - 50 years
Other improvements	20 - 40 years
Equipment	3 - 10 years
Infrastructure	20 - 100 years

Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. Vacation pay, which may be accumulated up to 400 hours, is payable upon resignation, retirement, or death. Sick leave may accumulate up to 1,200 hours. Sheriff's department clerical may accumulate up to 350 hours of vacation and 1050 hours of sick leave. Non-Union employees hired prior to April 13, 2010 will be paid for all accumulated outstanding sick leave upon retirement, death, or if an employee terminates with at least fifteen continuous years of service. If they are hired on or after April 13, 2010, they shall not be entitled to any cash out of sick leave upon separation from service. AFSCME, Engineers Guild, Teamsters General Services, Teamsters Personal Health, IWA Corrections, IWA Prosecutor's, and the Deputies Guild do not allow sick leave cash out for new hires after January 1, 2011. The Sheriff's Department also receives accumulated holiday and compensated hours upon retirement, termination, or death. The Sheriff's Department jail and corrections staff can only be paid for 30 days of vacation time upon termination, death, or retirement. The Sheriff's Department deputies receive 32 hours, or 4 days, of premium pay. This time must be used prior to any vacation or comp hours used in current year, they can't be banked.

Other Accrued Liabilities - These accounts consist of accrued wages and employee benefits.

Long-Term Debt - See Long-Term Debt and Leases - See Note #9.

Fund Balance Classification - Mason County fund balances are classified into five categories in accordance with Statement 54 from the Governmental Accounting Standards Board: non-spendable, restricted, committed, assigned, and unassigned. Committed, assigned, and unassigned categories are considered to be "unrestricted".

When expenditures are incurred that could be paid from either restricted, committed, assigned, or unassigned resources, the county uses restricted resources first, committed resources second, assigned third, and unassigned last.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

Note 1 - Continued

The fund balance is committed when the Board of County Commissioners commits a revenue source to a specific purpose of formal resolution. The fund balance is assigned when the Board of County Commissioners approves in writing, other than formal resolution, an intended use for a revenue source. The approved budget does not create committed or assigned amounts.

Deferred Outflows, Deferred Inflows and Net Position, Items Previously Reported as Assets and Liabilities - The County implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities in 2013. Under GASB 65, a number of items previously reported as liabilities are now reported as deferred inflows of resources. As of December 31, 2013, deferred inflows of resources consisted of taxes associated with the General Fund, Road Fund, Mental Health, Veteran's Assistance and Skokomish Flood Zone Funds. Additionally, grants within the Road Fund are unavailable.

NOTE 2 - Minimum Fund Balance Policy

Maintenance of an adequate balance for each fund to ensure sufficient resources for cash flow and to mitigate revenue shortages or emergencies shall be a priority. The General Fund target by resolution is that it shall maintain a minimum year-end unrestricted fund balance in the range of 9 - 12% of the previous year's budget. However this and all other funds shall maintain at least a 60 day cash flow of expenditures.

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

The following table displays the detail of the restricted, committed and unassigned fund balances:

Fund Balances:	Other Governmental Funds				Total
	General Fund	County Roads	Capital Project Funds	Nonmajor Special Revenue Funds	
Restricted for-					
Transportation	-	2,992,090	-	-	2,992,090
Economic development	-	-	-	241,029	241,029
Archiving	-	-	-	423,910	423,910
Public safety	-	-	-	485,255	485,255
Housing	-	-	-	566,072	566,072
Technology	-	-	-	54,161	54,161
Judicial	-	-	-	146,101	146,101
Public Health	-	-	-	817,450	817,450
Veterans	-	-	-	114,889	114,889
Tax Foreclosure	-	-	-	97,592	97,592
Mental health	-	-	-	849,015	849,015
Tourism	-	-	-	389,082	389,082
Capital projects	-	-	2,975,731	-	2,975,731
Committed to-					
Elections	-	-	-	182,674	182,674
Public safety	-	-	-	42,504	42,504
Abatement	-	-	-	263,913	263,913
Technology	-	-	-	85,431	85,431
Insurance claims	-	-	-	24,766	24,766
Leave payouts	-	-	-	178,179	178,179
Flood control	-	-	-	484,665	484,665
Natural resources	-	-	-	50,295	50,295
Debt service	-	-	-	316,466	316,466
Unassigned	7,836,167	-	-	-	7,836,167
	7,836,167	2,992,090	2,975,731	5,813,449	19,617,437

NOTE 3 - Stewardship, Compliance and Accountability

There have been no material violations of finance-related legal or contractual provisions.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 4 - Deposits and Investments

The Mason County Treasurer is empowered by state statute to act as the fiduciary agent for the County, as Treasurer, and other taxing districts within the county as ex-officio treasurer, which includes the receipt, deposit and prudent investment of public funds.

Deposits as required by state law and the County’s adopted Investment Policy, all deposit and investment of County funds are obligations of the U.S. Government and its agencies, certificate of deposit, general obligations of Washington State Municipalities, the State Treasurer’s Investment Pool, savings accounts and deposits with Washington State Banks and Savings and Loan institutions, or other investments allowed by Chapter 39.59 RCW.

Investments - All investments are stated at cost plus accrued interest, which approximates fair market value. The county intends to hold the time deposits and securities until maturity. The interest rate, credit and concentration risks are described below:

Investment	Maturity in Years	Fair Value of Investments County Owned	Fair Value of Investments Held by County as Agent	Total
Savings	0	\$ 250,000		\$ 250,000
LGIP (State Pool)	0	\$19,095,124	\$ 132,143,911	\$ 151,239,034
Agency Coupon - Government Securities	3	\$ 7,639,910		\$ 7,639,910
Total Investments		\$ 26,985,034	\$ 132,143,911	\$ 159,128,945

Interest Rate Risk - Interest rate risk is the risk that an investment’s value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship. In accordance with its investment policy the county manages its exposure to declines in fair values by matching investment maturities to meet anticipated cash flow requirements. The Washington State Local Government Investment Pool (LGIP) is an unrated 2a-7 like pool as defined by GASB31. As such, investment in the LGIP all but eliminates interest rate risk.

Credit Risk - Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments. The county’s adopted investment policy conforms with state law which restrict investments of public funds to debt securities and obligations of the U.S. Treasury, U.S. government agencies and certain other U.S. government sponsored corporations, certificate of deposit and other evidences of deposit at financial institutions qualified by the Washington Public Deposit Protection Commission (PDPC), banker’s acceptances, investment-grade general obligation debt of state and local governments and public authorities and Washington State Treasurer’s Local Government Investment Pool (LGIP). The Washington State Treasurer’s LGIP is an agency fund of the State of Washington administered by the State Treasurer. Accordingly, credit risk, if any, is extremely limited.

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

	<u>Rating</u>
Debt Security:	
Federal Home Loan Bank	S & P / AAA
Freddie Mac (Federal Home Loan Mortgage Corporation)	Moody / Fitch / AAA
Fannie Mae (Federal National Mortgage Association)	S & P / AAA
Federal Farm Credit Bank	S & P / AAA
Financing Corporation Coupons (FICP)	Not Rated
SE Missouri State University Bond	S & P / A
Missouri State Health and Education Bond	S & P / A
Illinois State General Obligation Bond	Fitch / A
Washington State Local Government Investment Pool (OGIP)	Not Rated

Custodial Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty to an investment transaction the county would not be able to recover the value of the investment or collateral securities. The county's investment policy requires that all investments be made on a delivery versus payment basis and that all investments, other than certificate of deposits, and deposits made with the LGIP are held by a third party custodian. Mason County has contracted with Bank of New York Mellon for custodial services.

None of the County's investments in 2013 were exposed to custodial risk. The balance in the LGIP is not subject to custodial risk since all investments or deposits held by the LGIP are either insured or held by a third party custody provider in the LGIP. The County's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC and FSLIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

Concentration of Credit Risk - The county's adopted investment policy requires that it will diversify its investments by security type and institution. With the exception of US Treasury securities and authorized pools, no more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution.

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

NOTE 5 - Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	The first of two equal installment payments is due.
May 31	Assessed value of property is established for next year's levy.
October 31	Second of two equal installment payments is due.

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as deferred inflow and recognized as revenue of the period to which it applies. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

Mason County may levy up to \$1.255 per \$1,000 of assessed valuation for general governmental services.

<u>Purpose</u>	<u>Assessed Valuation</u>	<u>2013 Levy Rate Per \$1,000</u>	<u>Property Taxes 2013</u>
General Fund	\$ 6,992,755,647	\$1.255	\$ 8,775,647
Human Svcs/Mental Hlth	\$ 6,992,755,647	\$0.025	\$ 173,724
Veterans Relief	\$ 6,992,755,647	\$0.011	\$ 78,176
County Roads	\$ 6,379,702,642	\$0.137	\$ 875,000

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

NOTE 6 - Capital Assets

Capital assets are long-lived assets of Mason County as a whole. When purchased, leased, or constructed, such assets are recorded as capital expenditures in the governmental fund statements.

Governmental Activity Capital Assets

A summary of changes in governmental capital assets follows:

	<i>Beginning Balance 1/1/2013</i>	<i>Prior Period Adjustment</i>	<i>Beginning Balance 1/1/2013</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance 12/31/2013</i>
Capital Assets not Being Depreciated-						
and	\$ 6,546,982	\$	\$ 6,546,982	\$ -	\$ -	\$ 6,546,982
right of ways	4,269,893		4,269,893	7,510	-	4,277,403
construction in progress	367,829		367,829	602,204	-	970,033
Total Capital Assets, Not Being Depreciated	11,184,704	-	11,184,704	609,714	-	11,794,418
Capital Assets Being Depreciated-						
buildings and improvements	26,632,374	-	26,632,374	351,792	-	26,984,166
improvements other than buildings	7,474,037	-	7,474,037	64,727	-	7,538,764
infrastructure - bridges	9,211,105	9,992	9,221,097	846,797	-	10,067,894
infrastructure	29,335,031	142,797,013	172,132,044	2,766,533	-	174,898,577
machinery and equipment	13,972,051	352,080	14,324,131	1,219,502	589,610	14,954,023
Total Capital Assets, Being Depreciated	86,624,598	143,159,085	229,783,683	5,249,351	589,610	234,443,424
less accumulated depreciation for-						
Buildings and improvements	6,141,362	(10,325)	6,131,037	880,545	-	7,011,582
Improvements other than buildings	1,228,127	-	1,228,127	112,023	-	1,340,150
Infrastructure	10,640,679	81,810,940	92,451,619	8,489,219	-	100,940,838
Machinery and equipment	10,014,384	351,789	10,366,173	980,983	583,607	10,763,549
Total accumulated depreciation	28,024,552	82,152,404	110,176,956	10,462,770	583,607	120,056,119
Total Capital Assets, Being Depreciated, Net	58,600,046	61,006,681	119,606,727	(5,213,419)	6,003	114,387,305
Governmental Activities Capital Assets, Net	\$ 69,784,750	\$ 61,006,681	\$ 130,791,431	\$ (4,603,705)	\$ 6,003	\$ 126,181,723

In 2013, the County revalued its road network due to a severe undervaluation, lack of detail, and in order to come into compliance with GASB 34 infrastructure requirements. The revaluation resulted in a net prior period adjustment of \$61,006,681. The County Road Administration Board's 2013 Motor Vehicle Fuel Tax valuation rates by surface type and function class were used to calculate the new Road Network value. The 2013 rates were deflated by surface year using Office of Financial Management's Implicit Price Deflator Index. The new revaluation allows the County to track each road's value by surface type and mile post, record accurate depreciation, and allows a mechanism to remove partial values of roads that have been reconstructed or removed. This in turn makes future streamlined and accurate infrastructure reporting possible.

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

NOTE 6 - Continued

Proprietary Capital Assets

Capital assets of proprietary funds are capitalized in their net position statement. Depreciation expense is charged to operations of proprietary funds to allocate the cost of capital assets over their estimated useful lives using the straight-line method with useful lives of 3 to 40 years. A summary of changes in proprietary fund capital assets follows:

	<i>Beginning Balance 1/1/2013</i>	<i>Prior Period Adjustment</i>	<i>Beginning Balance 1/1/2013</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance 12/31/2013</i>
Capital Assets not Being Depreciated-						
Land	\$ 2,022,163	\$ -	\$ 2,022,163	\$ -	\$ -	\$ 2,022,163
Total Capital Assets, Not Being Depreciated	2,022,163	-	2,022,163	-	-	2,022,163
Capital Assets Being Depreciated-						
Buildings and improvements	692,362	-	692,362	-	-	692,362
Improvements other than buildings	63,732,051	(14,812)	63,717,239	1,460,515	9,565	65,168,189
Machinery and equipment	380,572	-	380,572	212,387	65,179	527,780
Total Capital Assets, Being Depreciated	64,804,985	(14,812)	64,790,173	1,672,902	74,744	66,388,331
Less accumulated depreciation for-						
Buildings and improvements	663,439	-	663,439	26,275	-	689,714
Improvements other than buildings	8,534,896	(14,812)	8,520,084	2,122,683	-	10,642,767
Machinery and equipment	344,613	212,742	557,355	6,719	65,179	498,895
Total accumulated depreciation	9,542,948	197,930	9,740,878	2,155,677	65,179	11,831,376
Total Capital Assets, Being Depreciated, Net	55,262,037	(212,742)	55,049,295	(482,775)	9,565	54,556,955
Governmental Activities Capital Assets, Net	\$ 57,284,200	\$ (212,742)	\$ 57,071,458	\$ (482,775)	\$ 9,565	\$ 56,579,118

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 6 - Continued

2013 depreciation expense was charged to functions/programs of the primary government as follows:

Governmental-Type Activities	
General Government	102,257
Judicial	109,803
Public Safety	180,161
Physical environment	
Transportation	8,981,797
Economic Environment	(992)
Health and Human Services	17,588
Culture and Recreation	139,624
Internal Service Funds	932,532
Total Depreciaton - Governmental Activities	<u>10,462,770</u>
Business Type Activities	
Utlities	<u>2,155,677</u>
Total Decepreication - Business Type Activities	<u>2,155,677</u>

Construction Commitments - Mason County has active construction projects as of December 31, 2013. At year end the government's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Belfair Sewer System	\$ 29,897,186	\$ 2,500,000
Lynch Road and Arcadia	51,153	162,697
	<u>\$ 29,948,339</u>	<u>\$ 2,662,697</u>

NOTE 7 - PENSION PLANS

Substantially all Mason County full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), 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 the 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 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statement No. 27, Accounting for Pensions by State and Local Government Employers and No. 50,

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27.

NOTE 7 - Continued

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description - The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49% of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. PERS members who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members, and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at the age of 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2% of the average final compensation (AFC) per year of service, but the benefit may not exceed 60% of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

NOTE 7 - Continued

Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3% annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2% of the AFC for each year of service reduced by 2% for each year that the member's age is less than 55. The total benefit is limited to 60% of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3% annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2% of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3% annually.

PERS Plan 2 members who have at least 20 years of service credit, and are 55 years of age or older, are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 1, 2013:

- With a benefit that is reduced by 3% for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5% for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by chapter 31.34 RCW, employee contribution rates to the defined contribution component range from 5% to 15% of salaries, based on member choice. Members who do not choose a contribution rate default to a 5% rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

NOTE 7 - Continued

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1% of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, and were hired before May 1, 2013, they have the choice of a benefit that is reduced by 3% for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5% for each year before age 65.

PERS Plan 3 benefits actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2% of the AFC per year of service. For Plan 3, the monthly benefit amount is 1% of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3% annually.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2% of the AFC per year of service. For Plan 3, the monthly benefit amount is 1% of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3% annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 7 - Continued

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5% multiplier. The benefit would be capped at 75% of AFC. Judges in PERS Plan 3 could elect a 1.6% of pay per year of service benefit, capped at 37.5% of AFC. Judges in PERS Plan 3 could elect a 1.6% of pay per year of service benefit, capped at 37.5% of AFC. Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and beneficiaries receiving benefits	82,242
Terminated plan members entitled to, but not yet receiving benefits	30,515
Active plan members vested	106,317
Active plan members nonvested	44,273
	<hr/>
	263,347
	<hr/> <hr/>

Funding Policy - Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6% for state agencies and local government unit employees and at 7.5% for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5% to 15%.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW. The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, were as follows:

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

NOTE 7 - Continued

Members Not Participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer*	9.21% **	9.21% **	9.21% ***
Employee	6.00%****	4.92%****	****

- * The employer rates include the employer administrative expense fee currently set at 0.16%.
- ** The employer rate for state elected officials is 1.80% for Plan 1 and 7.25% for Plans 2 and 3.
- *** Plan 3 defined benefit portion only.
- **** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.
- **** Variable from 5.0% minimum to 15.0% maximum based on the rate selected by the PERS 3 member.

Members Participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer*	9.21%	9.21%	9.21% **
Employee	12.26%	12.30%	7.50%

- * The employer rates include the employer administrative expense fee currently set at 0.16%.
- ** Plan 3 defined benefit portion only.
- *** Minimum rate.

Both Mason County and the employees made the required contributions. The county's required contributions for the years ended December 31, were as follows:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2013	\$ 60,364	\$ 1,618,994	\$ 126,886
2012	92,179	1,456,677	112,956
2011	108,542	1,291,904	111,678

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

Plan Description - LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the State Legislature.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 7 - Continued

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

<u>Term of Service</u>	<u>Percent of Final Average Salary</u>
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If there is an eligible spouse, 50% of the FAS, plus 5% of the FAS for each eligible surviving child, with a limitation on the combined benefit of 60% of the FAS; or (2) If there is no eligible spouse, eligible children receive 30% of the FAS for the first child plus 10% for each additional child, subject to a 60% limitation of the FAS, divided equally.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability benefit is 50% of the FAS plus 5% for each child up to a maximum of 60%. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability benefit or service retirement benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

NOTE 7 - Continued

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2% of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3% annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2% of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3% for each year prior to age 53.

A disability benefit equal to 70% of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150% of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement benefit of at least 10% of FAS and 2% per year of service beyond five years. The first 10% of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 7 - Continued

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and beneficiaries receiving benefits	10,189
Terminated plan members entitled to, but not yet receiving benefits	689
Active plan members vested	14,273
Active plan members nonvested	2,633
	<u>27,784</u>

Funding Policy - Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

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. For DRS' Fiscal Year 2013, the state contributed \$54.2 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013 are as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer*	0.18%	5.23% **
Employee	0.00%	8.41%

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for ports and universities is 8.62%.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 7 - Continued

Both Mason County and the employees made the required contributions. The county's required contributions for the years ending December 31, were as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2013	\$ -	\$ 483,634
2012	-	479,764
2011	-	470,005

Public Safety Employees' Retirement System (PSERS) Plan 2

Plan Description - PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by chapter 41.37 RCW and may be amended only by the State Legislature.

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.
- Covered employers include:
 - State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
 - Washington State counties;
 - Washington State cities except for Seattle, Spokane and Tacoma; and
 - Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

To be eligible for PSERS, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 7 - Continued

PSERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of 2% of the average final compensation (AFC) at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3% annually.

PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is 2% of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3% annually.

PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

There are 75 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2012:

Terminated plan members entitled to but not yet receiving benefits	60
Active plan members vested	2,083
Active plan members nonvested	2,167
	<hr/>
	4,310
	<hr/> <hr/>

Funding Policy - Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 7 - Continued

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are as follows:

	<u>PERS Plan 2</u>
Employer*	10.54%
Employee	6.36%

* The employer rates include the employer administrative expense fee currently set at 0.16%.

Both Mason County and the employees made the required contributions. The county's required contributions for the years ending December 31 were as follows:

	<u>PERS Plan 2</u>
2013	\$ 234,379
2012	198,364
2011	171,639

Local Government Pension Systems

Effective January 1, 2013 through December 31, 2013, Mason County's contribution into the Western Conference of Teamsters Pension Trust Fund is an amount equal to \$2.50 per hour for each hour for which compensation is paid to the road department personnel.

Effective January 1, 2013 through December 31, 2013, Mason County's contribution into the Western Conference of Teamsters Pension Trust Fund is an amount equal to \$1.90 per hour for each hour for which compensation is paid to the road department operating engineers.

Effective January 1, 2013 through December 31, 2013, Mason County's contribution into the Western Conference of Teamsters Pension Trust Fund is an amount equal to sixty-five cents (\$0.65) per hour for each hour for which compensation is paid to appraisers in the Assessor's Office.

Effective January 1, 2013 through December 31, 2013, Mason County's contribution into the Western Conference of Teamsters Pension Trust Fund is an amount equal to fifty cents (\$0.50) per hour for each hour for which compensation is paid to members of the General Services and Detention offices.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

NOTE 8 - RISK MANAGEMENT

Mason County is a member of the Washington Counties Risk Pool ("Pool"). Other Washington counties that are Pool members include: Adams, Benton, Chelan and Clallam, Clark, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kittitas and Lewis, Okanogan, Pacific, Pend Oreille and San Juan, Skagit, Skamania, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Kitsap, Klickitat and Whitman Counties are former Pool members, having voluntarily terminated their memberships beginning October 1st of 2010, 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 of the Pool resulting from any fiscal year are financed by reassessments (aka retroactive assessments) placed upon the deficient year's membership in proportion with the deposit assessments initially levied and collected. The Pool's reassessments receivable balance at December 31, 2013 was ZERO (\$0) as there were no known contingent liabilities at that time.

Joint Self-Insurance Liability Program ("JSILP") - The Pool, which recently celebrated its Silver Anniversary, has been providing its membership with occurrence-based, jointly purchased and/or jointly self-insured 3rd-party liability coverage since October 1, 1988 for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by an occurrence during the policy period and occurring anywhere in the world. Total coverage limits have grown from the \$1 million limit that existed during the Pool's initial two insuring months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million occurrence limit that has existed since October 1, 2003. (Note: Additional occurrence limits of \$5 million have been available for many years for member counties to choose as an individual county-by-county option.) There are no aggregate limits to the payments the WCRP makes for any one member county or all member counties combined.

The initial \$10 million in coverage is jointly self-insured. The remaining JSILP coverage, up to \$15 million, is acquired as "following form" excess insurance from higher rated commercial carriers. Member counties annually select a deductible amount applicable to each occurrence from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000.

Reinsurance is acquired from higher rated carriers as well to protect the Pool directly and its member counties indirectly from larger-valued losses. The reinsuring program is written with a self-insured retention ("SIR") equal to the greater of the applicable member's deductible of \$100,000. The reinsuring agreements also include first and second layer corridor elements - to \$1 million and from \$1 to \$2 million - with cumulative (WCRP) retentions of \$2.95 and \$0.65 million and annual aggregate limits of \$40 and \$20 million respectively.

616 third-party liability claims (and lawsuits) were reported to the Pool by its member counties during Py2013, and added to the Pool's administrative database. This represented a 3% reduction in year-over-year filings and a continuation of recent years' decline in annual filings. The new filings raised the to-date total (Oct 1988 - Sep 2013) to 19,232. Total incurred losses (payments made plus reserve estimates for *open* claims) increased \$8.1 million during Py2013 to \$250.9 million. The annual amount is 50% more than the corresponding Py2012 amount of \$5.4M, but it represents just 51% of the Py2011 increase of \$16.0M, 46% of the \$17.8M in Py2010, and only 39% of the \$20.8M annual average for Py2007 through Py2009. Only 327 claims remained classified as '*open*' at year-end. With 307 additional claims projected by the actuary from all years as incurred but not yet reported ("IBNR"), the Pool's estimated ultimate claims totaled 19,539 as of September 30, 2013.

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

NOTE 8 - Continued

The independent actuary's projection of total reserves for claims that are expected to be the Pool's responsibility decreased slightly (-1%) from Py2012 to \$14.6 million. This amount includes \$3.4 million (-21% from Py2012) for losses within the Pool's self-insured retention, \$10.0 million (+7%) for losses subject to the "corridor" programs with the Pool's reinsurers, \$0.2 million for losses within the Py2013 quota-shared (10%) upper reinsured layer, and \$1.0 million (+3%) for estimated unallocated loss adjustment expenses. *NOTE: The corridor programs involving the WCRP's first (and now second) layer reinsurers began seven years ago. These programs included an occurrence coverage maximum of \$0.5 million during the first three years, \$1.0 million during the next three years, and of both \$1.0 million and \$2.0 million beginning with Py2013. Occurrence coverage minimums have remained since the corridor program began the greater of the applicable member deductible or \$100,000.*

Washington Counties Property Program (WCPP) - Beginning with Py2006 (October 1, 2005), WCRP added property insurance as a county-by-county option that is jointly-purchased from a consortium of higher rated commercial carriers. Since the initial offering, both participation and the total values of covered properties have nearly doubled. Twenty six WCRP counties with covered properties totaling over \$2.7 billion participated in the optional insuring program during Py2013.

The WCPP included All Other Peril coverage limits of \$500 million per occurrence for losses to buildings and contents, vehicles, mobile/contractors equipment, EDP and communication equipment, etc., as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. All Other Perils coverage limits apply to any occurrence, even those affecting more than one participating county, and there are no annual (AOP) aggregate limitations. Flood and Earthquake coverages each include annual aggregate limits of \$200 million. The WCPP coverage also includes sub-limited items, e.g. Equipment Breakdown / Boiler & Machinery (\$100 million), Special Flood Hazard Areas (\$25 million). And there are endorsements for Green Construction Upgrades, Reproduction Coverage for Historic Structures, and Terrorism (\$20 million).exposures.

AOP occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000. Higher deductibles are applicable to losses resulting from catastrophe relevant losses.

There were 15 claims filed during Py2013 by participating counties with loss estimates totaling \$2.6 million and losses paid by fiscal year-end of \$1.5 million. During its initial eight years as a WCRP optional insuring program, there have been 103 WCPP claims filed with to-date incurred losses totaling \$15.5 million and losses paid through fiscal 2013 of \$8.9 million. Considering the fact that to-date WCPP premiums have totaled \$22.2 million, the WCPP's cumulative loss ratio is below 0.7.

Other Insurances - Several member counties also use the Pool's contracted producer (broker) to secure other (specialty) insurances. Examples include public officials bonds and crime (and fidelity), cyber risks/security, special events/concessionaires, underground storage tank and other environmental hazards insurance coverages.

Background -The Pool was formed August 18, 1988 after an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW was approved by several Washington counties. The agreement and cooperative created a mechanism to provide 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. Washington's pools operate under the state's "pooling" laws and regulations, more specifically, RCW 48.62 and WAC 200.100. They must be first approved and

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

then are overseen by the State Risk Manager, and they are subject to annual fiscal audits performed and issued by the State Auditor's Office.

Noteworthy is the definition of the "insurer" within RCW 48.01.050 for application of the Washington Insurance Code, which reflects the following:

Two or more local government entities, under any provision of law, that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding are not an "insurer" under this code.

Thus, under Washington law the Pool is not an insurance company, and therefore, not subject to the rules governing insurance policy interpretation.

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. Its 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.

A Membership Compact was added as an addendum to the Interlocal Agreement in 2000. It constitutes a commitment to strengthen the Pool by helping member counties implement and/or enhance their local risk management efforts to reduce losses and support the best management of the Pool and its resources. It obligates member counties to support these goals through three major elements - membership involvement, risk control practices, and a targeted risk management program(s).

New members may be asked to pay modest fees to cover any costs to analyze the member's loss data and risk profile, but they are normally only required to contribute their proportional shares on their entry year's insuring assessments. Members contract initially under the Interlocal Agreement to remain in the Pool for at least five years. Following the initial term, a county may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files its required advance written notice; otherwise, the Interlocal Agreement and memberships automatically renew 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 former members were signatories 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 Board, which is made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Pool's Annual Meeting. The board of directors is responsible for a) determining the extent of the 3rd-party self-insured liability coverage to be offered (approving the insuring document or coverage form), b) selecting the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, c) approving the Pool's annual operating budget(s) and work program(s), and d) approving the members' deposit assessment and reassessment formulas for the policy year ensuing and for any deficient prior period(s).

MASON COUNTY

Notes to Financial Statement For the Year Ended December 31, 2013

NOTE 8 - Continued

Regular oversight of the Pool's operations is provided by an 11-person executive committee selected from and by the WCRP Board. Committee members are elected to staggered, 3-year terms. The Committee meets several times throughout each policy year to: 1) approve all WCRP disbursements and review 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 and program deliverables as well as the Executive Director's performance. Committee members are expected 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 multi-person claims staff with years of combined experience handles or oversees the handling of the several hundred liability cases each year filed upon and submitted by the Pool's member counties. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other WCRP staffers provide various member services, e.g. conducting member and potential member risk assessments and compliance audits, coordinating numerous Pool-sponsored trainings, researching other coverages and marketing the Pool and its risk management services. Some address and support the organization's administrative needs.

Professionals from some of the more respected organizations worldwide are regularly called upon regularly to address various needs of the Pool. More specifically, independent actuarial services are furnished by PricewaterhouseCoopers, LLP. Independent claims auditing is performed by Strategic Claims Direction LLC, and special claims audits are occasionally performed by the Pool's commercial reinsurers/insurers. Insurance producer (broker) and advanced loss control and prevention services are provided by Arthur J. Gallagher Risk Management Services, Inc. Coverage counsel is furnished by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend the numerous Pool-covered cases, as well as the examinations by and services from both the State Risk Manager and the State Auditor's Offices.

Financial Summary - During fiscal 2013, Pool assets grew 11% (+\$4.8 million) and liabilities by 3% (+\$1.0 million). Its net (financial) position, which is commonly referred to as "net assets" and sometimes as "owners' equity", improved 30% (+\$3.9 million) during the Pool's Silver Anniversary year to \$16.7 million as of September 30, 2013. Much of the net position is 'restricted' (\$12.5 million) to address the Board of Directors' recently revised requirements in section D of its Underwriting Policy. *NOTE: This policy revision resulted in the Pool's own restriction increasing \$7.5 million (+187%) and the unrestricted declining \$3.8 million (-53%). The (State Risk Manager's) solvency provisions in WAC 200.100.03001(3) required \$0.9 million for satisfaction, a year-over-year increase of \$0.1 million (+15%).* Another \$0.9 million is invested in capital assets (net of debt). The remaining \$3.3 million is unrestricted.

\$3.75 million in operating income was experienced during Py2013, an increase of 111% from Py2012. Operating revenues were 'flat', but expenses declined nearly \$2.0 million (-15%). This reduction was in part due to even more favorable adjustments by the independent actuary, PricewaterhouseCoopers LLP ("PwC"), to the Pool's claims-related reserves, and to the reduction (-26%) in the premiums to acquire the reinsurance, excess insurance and property insurance policies requested by the Board.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 9 - LONG-TERM DEBT

Long-Term Debt - The county issues general obligation and revenue bonds to finance the purchase of land, the acquisition and construction of buildings, and to finance the cost of constructing sewer improvements. Bonded indebtedness has also been entered into (currently and in prior years) to advance refund several general obligation and revenue bonds. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. The revenue bonds are being repaid by proprietary fund revenues.

General obligation bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
Construct new Public Works Facility	2011-2027	4.503%	\$ 15,365,000	605,000-1115000
Purchase 3rd & Pine Property and Courthouse Remodel	2011-2027	3.5-3.875%	3,170,000	100,000-270,000
Constructing North Bay Sewer improvements	2011-2042	4.750%	5,206,200	70,820-284,540
Rustlewood Sewer improvements	2011-2048	4.125-4.375%	1,356,000	15,462-76,378
Constructing Belfair Sewer	2012-2030	2.0-3.9%	6,200,000	2,010,000-365,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

For the Year Ending December 31,	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 200,000	\$ 740,776	\$ 93,829	\$ 407,980
2015	1,060,000	711,061	98,207	403,602
2016	1,090,000	674,102	102,791	399,018
2017	1,115,000	635,585	357,587	394,222
2018	1,135,000	595,218	367,608	384,201
2019-2023	5,535,000	2,336,460	2,016,975	1,735,621
2024-2028	6,770,000	1,057,889	2,407,803	1,343,038
2029-2033	460,000	79,851	1,741,221	866,902
2034-2038	-	-	1,283,173	563,167
2039-2043	-	-	1,313,539	233,914
2044-2048	-	-	307,276	46,704
2049	-	-	38,403	1,287
	\$ 17,365,000	\$ 6,830,942	\$ 10,128,412	\$ 6,779,656

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 9 - LONG-TERM DEBT

The county is also liable for Department of Ecology Loans as follows:

Purpose	Interest Rate	Original Amount	Balance 12/31/2013
North Bay/Case Inlet Wastewater Construction Project	0.0%	\$ 7,320,095	\$ 3,190,810
Rustlewood I&I Reduction Project	0.0%	89,982	21,311
Belfair Wastewater Collection System Design	1.5%	337,413	255,057
Belfair Wastewater Collection System Construction	3.1%	3,118,464	2,716,082
Belfair Wastewater Collection System Construction	2.8%	4,375,834	3,969,202
Belfair Wastewater Collection System Construction	2.8%	1,172,258	1,118,451
Belfair Wastewater Collection System - Get Connected	2.6%	153,720	153,719
		<u>\$ 16,567,766</u>	<u>\$ 11,424,632</u>

The annual debt service requirements to maturity are as follows:

<u>Due to Other Government Notes Payable</u>		
Business Type Activities		
Year Ending		
December 31	Principal	Interest
2014	\$ 744,713	232,474
2015	760,368	222,649
2016	771,305	211,704
2017	782,559	200,438
2018	791,774	188,843
2019-2023	3,564,784	758,068
2024-2028	2,576,297	412,912
2028-2034	1,432,832	74,454
Total	<u>\$ 11,424,632</u>	<u>\$ 2,301,542</u>

MASON COUNTY

Notes to Financial Statement
For the Year Ended December 31, 2013

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2013 the following changes occurred in long-term liabilities:

	Balance 1/1/2013	Additions	Reductions	Balance 12/31/2013	Due Within One Year
Governmental Activities:					
Bonds payable-					
General obligation bonds	\$ 15,810,000	\$ 2,285,000	\$ 730,000	\$ 17,365,000	\$ 200,000
Plus premiums on issuances of debt	-	23,652	-	23,652	-
Total Bonds Payable	15,810,000	2,308,652	730,000	17,388,652	200,000
Compensated absences	3,601,543	14,208	49,879	3,565,872	350,000
Other liabilities - OPEB	1,362,095	175,843	-	1,537,938	-
Governmental Activity Long-Term Liabilities	<u>\$ 20,773,638</u>	<u>\$ 2,498,703</u>	<u>\$ 779,879</u>	<u>\$ 22,492,462</u>	<u>\$ 550,000</u>
	Balance			Balance	Due Within
	1/1/2013	Additions	Reductions	12/31/2013	One Year
Business-Type Activities:					
Bonds payable-					
General obligation bonds	\$ 12,220,572	\$ -	\$ 2,092,160	\$ 10,128,412	\$ 93,829
Total Bonds Payable	12,220,572	-	2,092,160	10,128,412	93,829
DOE loans	11,291,841	932,753	799,962	11,424,632	744,713
Compensated absences	133,319	9,336	3,350	139,305	13,000
Landfill post closure liability	550,000	-	-	550,000	-
Business-Type Activities Long-Term Liabilities	<u>\$ 24,195,732</u>	<u>\$ 942,089</u>	<u>\$ 2,895,472</u>	<u>\$ 22,242,349</u>	<u>\$ 851,542</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$140,644 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. All bond issues comply with arbitrage regulations.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 11 - CONTINGENCIES AND LITIGATIONS

Mason County has recorded, in its financial statements, all material liabilities. There is a pending claim against Mason County's Belfair Waste Water Reclamation Facility. The claim was brought by Boss Construction Company, LLC. Mason County contracted with Boss to construct the aforementioned facility. The claim amount is approximately \$2 million. Settlement efforts have ensued and Mason County and Boss are currently working with a dispute resolution board (DRB) to resolve the dispute. It is anticipated that the dispute will be resolved with the DRB by year's end.

Mason County participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Other than the instances described above, county management believes that such disallowances, if any, will be immaterial.

NOTE 12 - RESTRICTED NET POSITION

The government-wide statement of net position reports \$10,646,347 of restricted net position, of which \$10,646,347 is restricted by enabling legislation.

NOTE 13 - INTERFUND BALANCES AND TRANSFERS

Interfund Balances - Loans between funds are classified as interfund loans receivable and payable on the governmental fund balance sheet.

In February of 2013, the County Road Fund received an interfund loan from the Equipment Rental & Revolving fund to provide interim financing for a temporary cash flow shortage. This action was authorized by the Board of County Commissioners on April 26, 2011, Resolution No. 29-11 for an amount not to exceed \$2,000,000.00.

In 2008 an interfund loan was made from the Landfill Reserve Fund to the Rustlewood Sewer utility for a settlement payment.

In 2009 an interfund loan was made from ER&R to the Landfill Fund for operations and maintenance financing for three years. In 2010 an interfund loan was approved from REET 1 to the County Road Fund for the purchase of building #8.

	Due From			
	Capital Project REET 1	Road Fund	Rustlewood Sewer	Total
Due to:				
County Road Fund	\$ 534,467	\$ -	\$ -	\$ 534,467
Landfill Postclosure Reserve	-	-	9,835	9,835
Equipment rental and revolving	-	2,000,000	-	2,000,000
Total	<u>\$ 534,467</u>	<u>\$ 2,000,000</u>	<u>\$ 9,835</u>	<u>\$ 2,544,302</u>

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 13 – Continued

Interfund Transfers - Transfers to support the operation of other funds are recorded as “Transfers” and classified with “Other Financing Sources or Uses.”

Interfund transfers as of December 31, 2013 are as follows:

	General Fund	County Roads	Capital Projects	Non-Major Gov't Funds	Business Type Activity	Total
Transfer to:						
General Fund	-	-	-	145,533		145,533
Subtotal Non major gov't fund	604,931	1,163,503	311,209	59,547	4,521	2,143,711
Business Type/Enterprise Funds		75,000	724,000	519,000	527,822	1,845,822
Total	<u>604,931</u>	<u>1,238,503</u>	<u>1,035,209</u>	<u>724,080</u>	<u>532,343</u>	<u>4,135,066</u>

Due To/From Other Funds - “Due from other funds” and “due to other funds” are created from interfund transactions which usually involve the exchange of goods and services in a normal business relationship. The majority of these are due to interfund billing of equipment rental and motor pool charges.

	Due From Other Funds			Total
	Road Fund	Equipment Rental	Other Non-Major Prop Funds	
Due to Other Funds:				
General Fund	\$ -	\$ 19,474	\$ -	\$ 19,474
Roads	-	379,024	75,000	454,024
Capital Project	-	-	-	-
Other Governmental Funds	-	12,565	667	13,232
Landfill	-	7,093	-	7,093
Belfair	-	1,600	-	1,600
Equipment Rental and Revolving	215,601	-	-	215,601
Other NonMajor Proprietary Funds	-	3,971	-	3,971
Total	<u>\$ 215,601</u>	<u>\$ 423,727</u>	<u>\$ 75,667</u>	<u>\$ 714,995</u>

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT

Plan Description - As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides lifetime medical care for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977 under a defined benefit healthcare plan. The members necessary hospital, medical, and nursing care expenses not payable by worker’s compensation, social security, insurance provided by another employer, other pension plan or any other similar source are covered. Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical plan benefit provisions. As of December 31, 2013 there were 10 retirees who received benefits under this plan.

Funding Policy - Funding for LEOFF retiree healthcare costs is provided entirely by the County as required by RCW. The County’s funding policy is based upon pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation - The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of the County’s annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation. The net OPEB obligation of \$1,531,088 is included as a non-current liability on the Statement of Net Position.

	Year Ending 12/31/2013
Actuarial required contribution (ARC)	\$ 291,751
Interest on prior year net OPEB obligation	54,484
Adjustment to ARC	<u>(104,930)</u>
Annual OPEB cost	241,305
Contributions made	<u>65,462</u>
Increase in Net OPEB obligations	175,843
Net OPEB obligation, beginning of year	<u>1,362,095</u>
Net OPEB Obligation, End of Year	<u><u>\$ 1,537,938</u></u>

* - Unfunded Actuarial Accrual Liability (UAAL)

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

For the Fiscal Year Ending December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 241,305	27%	\$ 1,537,938
2012	234,455	27%	1,362,095
2011	254,584	24%	1,190,857

Funding Status and Funding Progress - As of December 31, 2012 the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was \$3,133,276 and the actuarial value of the assets was \$0 resulting in a UAAL of \$3,133,276.

The cost of retiree health care benefits is recognized in the General Fund as claims are paid. For 2013, these costs total \$65,462 which averages a cost per retiree of \$6,546. If the county were to contribute the ARC to the plan every year, a liability would not be recorded. If the ARC is not fully funded in a given year, a liability is reported for the unpaid portion of the ARC.

Actuarial Methods and Assumptions - We used the alternative measurement permitted under GASB Statement No 45. A single retirement age of 56.24 was assumed for all active members for the purpose of determining the AAL and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2009 actuarial valuation report issued by the Office of State Actuary (OSA). Healthcare costs and trends were determined by Millman and used by OSA in the state-wide LEOFF 1 medical study performed in 2011. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the AAL was Projected Unit Credit. Interest on prior years was computed at 4%. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation.**

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require municipal solid waste landfills to place a cover on their landfills and perform certain maintenance and monitoring functions at the site for thirty years after closure. Although monitoring closure and post-closure costs will be paid only near or after designated areas of the landfill are filled, the county is required to report a portion of these closure and post-closure care costs as expense and as a liability in each period the landfill accepts waste.

Mason County operated a landfill in Shelton, along with three transfer stations located in Belfair, Hoodspout and Union. The landfill was leased until September 1, 1986 at which time the county took over operations. The landfill closure concluded December 1993 at a cost of \$894,656.

The estimated landfill post-closure liability is \$550,000 over a 21-year period, ending in the year 2014 and in a separate fund. This estimate is subject to changes resulting from inflation, deflation, technology, or changes in laws or regulations. This liability is held in the Cumulative Reserve Landfill Enterprise Fund, post-closure fees are collected and held in that fund. No costs have been charged to this fund as costs associated with maintenance and testing of gasses at the landfill are currently being paid out of the Landfill Fund.

MASON COUNTY

**Notes to Financial Statement
For the Year Ended December 31, 2013**

NOTE 16 - OTHER DISCLOSURES

The Combined Utility Administration Fund (a non-major enterprise fund) reflects a negative fund balance of (\$4,521). The leave liability of \$77,334 is \$4,521 more than the current assets at December 31, 2013.

The Cumulative Landfill Reserve Fund (non-major enterprise fund) reflects a negative fund balance of (\$41,181). The estimated post-closure liability of \$550,000 is \$41,181 more than the combined assets as of December 31, 2013.

NOTE 17 - PRIOR PERIOD ADJUSTMENT

The governmental activities column presents a prior period adjustment increasing net position by \$62,234,350. This adjustment relates to \$1,048,182 in taxes receivable not recorded in various funds in the prior year statements, receivables overstated by \$18,152 in the general fund in prior year statements, and \$61,006,680 increase in capital asset net of depreciation due mainly to the revaluation of roads and bridges effective January 1, 2013. See Note 6 for additional detail. Further, the path and trail fund was omitted from the Road fund, therefore it increases the fund balance by \$197,640.

The business type activities column presents a prior period adjustment decreasing Belfair Sewer's net position by \$802,131; this records deferred interest on loans of \$298,926, a \$212,741 correction to increase accumulated depreciation, and a grant accrual of \$312,460. Additionally, it shows a retainage payable liability that was not included in the amount of \$602,924.

MASON COUNTY
 Required Supplementary Information
 Other Post Employment Benefit
 Schedule of Funding Progress
 December 31, 2013

Fiscal Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liabilities (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percenta ge of Covered Payroll ((b-a)/c)
12/31/2009	\$ -	\$ 3,117,107	\$ 3,117,107	0%	\$ -	N/A
12/31/2010	-	2,963,490	2,963,490	0%	-	N/A
12/31/2011	-	3,249,820	3,249,820	0%	-	N/A
12/31/2012	-	3,133,276	3,133,276	0%	-	N/A

Schedule 7

Schedule of Warrant Activity									
For the Year Ended December 31, 2013									
Fund Number	Fund Title	Payable January 1	Issued Report Year	Beginning Open Period	Ending Open Period	Net Issue	Redeemed Report Year	Cancelled Report Year	Payable December 31
631-000-000	CLAIMS CLEARING	2,073,594	38,269,919	1,601,729	1,601,729	38,269,919	40,025,957	11,836	305,720
632-000-000	SALARY CLEARING	93,277	6,147,479			6,147,479	6,195,912		44,844
662-001-010	CEMETERY DIST #1	892	12,240			12,240	12,684	115	333
665-001-010	FIRE DIST. #1 EXPENSE	18,894	164,918			164,918	181,559	707	1,546
665-001-040	FIRE DIST. #1 EMERG.MED.SER.	1,864	18,235			18,235	20,007		92
665-002-010	FIRE DIST #2 EXPENSE	43,428	3,575,661			3,575,661	3,555,537	6,556	56,996
665-003-010	FIRE DIST.#3 EXPENSE	1,478	358,721			358,721	359,095	37	1,067
665-003-040	FIRE DIST.#3 EMERGENCY MED.	7,151	65,148			65,148	65,744		6,555
665-004-010	FIRE DIST.#4 EXPENSE	23,203	855,914			855,914	863,763	7,671	7,683
665-005-010	FIRE DIST.#5 EXPENSE	90,360	5,618,926			5,618,926	5,387,750	239,971	81,565
665-006-010	FIRE DIST.#6 EXPENSE	4,302	892,342			892,342	894,612		2,032
665-006-040	FIRE DIST.#6 EMERG.MED.SER.	3,370					3,370		
665-008-010	FIRE DIST.#8 EXPENSE	4,269	349,013			349,013	349,921	1,161	2,200
665-008-040	FIRE DIST. #8 EMERGENCY MED.	246					236	10	
665-009-010	FIRE DIST #9 EXPENSE	2,901	159,888			159,888	140,975	159	21,655
665-009-040	FIRE DIST.#9 EMERG.MED.SER.	4,932	122,580			122,580	107,933	427	19,152
665-011-010	FIRE DIST.#11 EXPENSE	4,896	215,496			215,496	218,841	1,222	329
665-011-040	FIRE DIST.#11 EMERG.MED.SER.	935	38,941			38,941	39,831		45
665-012-010	FIRE DIST.#12 EXPENSE	1,509	105,388			105,388	103,247	4	3,646
665-012-040	FIRE DIST.#12 EMERG.MED.SER.	2,528	24,988			24,988	27,281		235
665-013-010	FIRE DIST.#13 EXPENSE	4,073	166,039			166,039	160,387		9,725
665-013-040	FIRE DIST.#13 EMERG.MED.SER.	206	70,478			70,478	67,949	5	2,730
665-016-010	FIRE DIST.#16 EXPENSE	4,347	99,920			99,920	98,605	1,872	3,790
665-016-040	FIRE DIST.#16 EMERG.MED.SER.		805			805	805		
665-017-010	FIRE DIST.#17 EXPENSE	2,033	82,518			82,518	82,813	483	1,255
665-017-040	FIRE DIST.#17 EMERG.MED.SER.	1,023	18,715			18,715	17,737		2,001
665-018-010	FIRE DIST.#18 EXPENSE	1,242	174,196			174,196	173,146	20	2,272
665-018-040	FIRE DIST.#18 EMERG.MED.SER.	167	63,132			63,132	57,535	768	4,996
668-010-010	M.C. PUBLIC TRANSP BENEFIT	9,124	7,966,218			7,966,218	7,732,047	5,606	237,689

Schedule 7

Schedule of Warrant Activity									
For the Year Ended December 31, 2013									
Fund Number	Fund Title	Payable January 1	Issued Report Year	Beginning Open Period	Ending Open Period	Net Issue	Redeemed Report Year	Cancelled Report Year	Payable December 31
670-000-010	PORT OF ALLYN	5,423	316,463			316,463	317,439	274	4,173
670-005-010	PORT OF ALLYN INDUSTRIAL DEV		17,729			17,729	17,729		
670-006-010	PORT OF ALLYN WATER SYSTEM		4,366			4,366	4,366		
670-010-010	PORT OF DEWATTO	2,508	67,744			67,744	69,777		475
670-020-010	PORT OF GRAPEVIEW	713	26,033			26,033	26,566		180
670-030-010	PORT OF HOODSPORT	1,754	350,424			350,424	334,677	16,800	701
675-001-010	MASON GENERAL HOSPITAL	363,131	72,497,598			72,497,598	71,677,961	475,023	707,745
675-001-020	PUB.HOSP.#1 EMPLOYEES MED.BEN		10,067,623			10,067,623	10,067,623		
675-002-015	HOSPITAL #2	414	476,630			476,630	476,465		579
680-001-010	P.U.D.#1 GENERAL	300,536	11,273,266			11,273,266	11,089,911	318,677	165,214
681-000-010	ENHANCED 911 - UTILITY TAX	12,937	1,659,791			1,659,791	1,628,531	2,026	42,171
685-042-010	SCHOOL DIST.#42 GENERAL	161,769	2,254,994			2,254,994	2,213,306	107,603	95,854
685-042-030	SCH.DIST.#42 CAPITAL PROJECTS		4,517			4,517	4,517		
685-042-080	SCH.DIST.#42 ASB	1,135	5,222			5,222	6,193	82	82
685-054-010	SCHOOL DIST.#54 GENERAL	161,568	2,126,050			2,126,050	2,079,265	7,409	200,944
685-054-030	SCH.DIST.#54 CAPITAL PROJECTS		24,491			24,491	23,782	709	
685-054-080	SCH.DIST.#54 ASB FUND	146	6,479			6,479	5,698	840	87
685-309-010	SCHOOL DIST.#309 GENERAL	3,256,055	42,133,192			42,133,192	43,311,416	37,730	2,040,101
685-309-050	SCH.D.#309 TRUST & AGENCY FUND		1,500			1,500	1,500		
685-309-080	SCH.DIST.#309 ASB	31,845	522,996			522,996	509,633	8,987	36,221
685-309-090	SCH.DIST.#309 TRANS.VEHICLE		123,102			123,102	123,102		
685-311-010	SCHOOL DIST.#311 GENERAL	78,702	3,197,259			3,197,259	2,967,680	249,764	58,517
685-311-030	SCH.DIST.#311 CAPITAL PROJECTS		68,678			68,678	68,678		
685-311-080	SCHOOL DIST.#311 ASB	4,446	35,284			35,284	39,174		556
685-402-010	SCHOOL DIST.#402 GENERAL	623,298	8,522,323			8,522,323	8,283,129	543,523	318,969
685-402-080	SCHOOL DIST.#402 ASB	4,469	40,553			40,553	40,587		4,435
685-403-010	SCHOOL DIST.#403 GENERAL	1,461,284	20,185,720			20,185,720	19,973,400	151,326	1,522,278
685-403-030	SCH.DIST.#403 CAPITAL PROJECTS	26,184	1,147,052			1,147,052	1,058,548		114,688
685-403-080	SCHOOL DIST.#403 ASB	22,753	349,630			349,630	357,232	625	14,526

Schedule 7

Schedule of Warrant Activity									
For the Year Ended December 31, 2013									
Fund Number	Fund Title	Payable January 1	Issued Report Year	Beginning Open Period	Ending Open Period	Net Issue	Redeemed Report Year	Cancelled Report Year	Payable December 31
685-403-090	SCH.DIST.#403 TRANS.VEHICLE		115,685			115,685	115,685		
685-404-010	SCHOOL DIST. #404 GENERAL	273,597	4,589,414			4,589,414	4,480,252	243,008	139,751
685-404-030	SCH.DIST.#404 CAPITAL PROJECTS	6,284	189,257			189,257	128,068	66,547	926
685-404-050	SCH.D.#404 TRUST & AGENCY FUNI	10	500			500	510		
685-404-080	SCHOOL DIST. #404 ASB	853	17,936			17,936	18,547		242
690-001-010	BELFAIR WATER DIST.#1 M & O	16,759	915,201			915,201	899,442	4,937	27,581
690-001-045	BWD CAPITAL IMPROVEMENT FACIL		17,538			17,538	17,538		
690-002-010	TRAILS END WATER DIST.#2 GEN.	5,846	52,814			52,814	51,261	2,886	4,513
690-002-065	TEW DIST. #2 WATER REVENUE		14,384			14,384	14,384		
690-003-010	MAGGIE LAKE WATER DIST.#3		50,967			50,967	50,967		
690-004-010	TAHUYA RIVER VALLEY WATER DIST	880	12,559			12,559	11,718	344	1,377
690-005-010	HARTSTENE POINTE WTR-SWR DIST	44,196	510,743			510,743	554,266		673
TOTALS		9,275,739	249,631,525	1,601,729	1,601,729	249,631,525	250,065,802	2,517,750	6,323,712

Schedule of Long-Term Liabilities

December 31, 2013

Long-Term General Obligation Debt

Type	Fund ID #	BARS Code	BARS Code - Redeem Debt Only	Description	Beginning Balance January 1	Additions Current Year	Reductions Current Year	Ending Balance December 31
General Obligations	105 & 205	263.96	591.48	Public Works LTGO 2007 Bond	12,640,000	0	630,000	12,010,000
General Obligations	210 & 403	251.19	591.35	N.Bay Wastewater LTGO 2002 Bond	4,721,849	0	74,184	4,647,665
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "B"-Jail		525,000	0	525,000
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "B"-Jail		1,095,000	0	1,095,000
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "A"-Jail		125,000	0	125,000
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "A"-Jail		130,000	0	130,000
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "A"-Jail		135,000	0	135,000
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "A"-Jail		135,000	0	135,000
General Obligations	215	251.19	591.23	Taxable Series B Qualified Energy Mason County LTGO 2013 "A"-Jail		140,000	0	140,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	100,000	0	100,000	0
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	200,000	0	0	200,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	200,000	0	0	200,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	200,000	0	0	200,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	190,000	0	0	190,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	385,000	0	0	385,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	420,000	0	0	420,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	455,000	0	0	455,000
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	490,000	0	0	490,000

Schedule of Long-Term Liabilities

December 31, 2013

Long-Term General Obligation Debt

Type	Fund ID #	BARS Code	BARS Code - Redeem Debt Only	Description	Beginning Balance January 1	Additions Current Year	Reductions Current Year	Ending Balance December 31
General Obligations	250 & 350	251.11	591.21	Mason County LTGO 2008 Bond	530,000	0	0	530,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	2,010,000	0	2,010,000	0
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	250,000	0	0	250,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	255,000	0	0	255,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	260,000	0	0	260,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	265,000	0	0	265,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	275,000	0	0	275,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	280,000	0	0	280,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	290,000	0	0	290,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	300,000	0	0	300,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	305,000	0	0	305,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	320,000	0	0	320,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	330,000	0	0	330,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	340,000	0	0	340,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	355,000	0	0	355,000
General Obligations	413	251.19	591.35	Belfair Waste Water Reclamation	365,000	0	0	365,000
General Obligations	411	251.19	591.35	Rustlewood Series A Bonds	790,243	0	5,008	785,235
General Obligations	411	251.19	591.35	Rustlewood Series B Bonds	508,480	0	2,968	505,512
Other long-term liabilities	900	263.94	591.17	OPEB Liability	1,362,095	0	0	1,362,095
Other long-term liabilities	402	259.12	591.17	Compensated Absences Liability-Fund 402	41,738	6,812	0	48,549
Other long-term liabilities	403	259.12	591.17	Compensated Absences Liability-Fund 403	8,087	0	451	7,637
Other long-term liabilities	406	259.12	591.17	Compensated Absences Liability-Fund 406	78,758	0	1,424	77,334
Other long-term liabilities	411	259.12	591.17	Compensated Absences Liability-Fund 411	794	0	794	0

Schedule of Long-Term Liabilities

December 31, 2013

Long-Term General Obligation Debt

Type	Fund ID #	BARS Code	BARS Code - Redeem Debt Only	Description	Beginning Balance January 1	Additions Current Year	Reductions Current Year	Ending Balance December 31
Other long-term liabilities	412	259.12	591.17	Compensated Absences Liability-Fund 412	834	2,189	0	3,023
Other long-term liabilities	413	259.12	591.17	Compensated Absences Liability-Fund 413	2,593	335	167	2,761
Other long-term liabilities	480	259.12	591.17	Compensated Absences Liability-Fund 480	515	0	515	0
Other long-term liabilities	501	259.11	591.17	Compensated Absences Liability-Fund 501	145,383	14,229	18,948	140,664
Other long-term liabilities	900	259.11	591.17	Compensated Absences Liability-Fund 900	3,456,160	0	30,932	3,425,228
Other long-term liabilities	428	263.22	591.37	Landfill Post Closure Liability	550,000			550,000
Revenue debt	403	263.82	591.35	North Bay Wastewater System DOE Loan L0000021	3,566,200		375,389	3,190,811
Revenue debt	411	263.82	591.35	Rustlewood Wastewater DOE Loan L9700013	26,047		4,736	21,312
Revenue debt	413	263.82	591.35	Belfair Wastewater DOE Loan L0400005	271,308		16,251	255,057
Revenue debt	413	263.82	591.35	Belfair WRF Design DOE Loan L0800017	2,845,240		129,158	2,716,083
Revenue debt	413	263.82	591.35	AARA Belfair Wastewater DOE Loan L1000026	3,658,382	524,918	214,099	3,969,202
Revenue debt	413	263.82	591.35	Belfair Waste Water Reclamation L1100013	478,541	1,044,848		1,523,389
Revenue debt	413	263.82	591.35	Belfair Waste Water Reclamation L1200025	153,720			153,720
Totals					44,676,966	3,878,331	3,615,022	44,940,276
General Obligations					28,030,572	2,285,000	2,822,160	27,493,411
Other long-term liabilities					5,646,956	23,565	53,230	5,617,292
Revenue debt					10,999,438	1,569,767	739,632	11,829,573
					44,676,966	3,878,331	3,615,022	44,940,276

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Total Available
				Investment Liquidated	Transfers In	
001-000-000	CURRENT EXPENSE	7,039,947	25,681,607	0	17,560	32,739,114
103-000-000	RURAL CO SALES & USE TAX (.09)	38,256	482,035	714,901	0	1,235,192
104-000-000	AUDITOR'S O&M FUND	107,156	118,688	0	0	225,844
105-000-000	COUNTY ROAD	576,651	16,231,087	500,000	9,012	17,316,750
105-000-420	CO.RD.UNLIM.HIB'68 & RID#1 RES	4,342	78	0	0	4,420
105-000-421	CO.RD.RID# 2,3 RESERVE	458	3	0	0	461
106-000-000	PATHS & TRAILS RESERVE	21,372	11,251	0	0	32,623
109-000-000	ELECTION EQUIPMENT HOLDING	54,181	23,486	0	1,029	78,696
110-000-000	CRIME VICTIMS COMPENSATING FD	305,616	32,366	0	0	337,982
114-000-000	VICTIM WITNESS ACTIVITIES FUND	21,927	20,577	0	0	42,504
116-000-000	HISTORICAL PRESERVATION	97,713	27,424	0	0	125,137
117-000-000	COMMUNITY SUPPORT SERVICES	828,537	522,458	0	0	1,350,995
118-000-000	ABATEMENT/REPAIR & DEMOLITION	0	1,540	72	0	1,612
119-000-000	RESERVE FOR TECHNOLOGY	1,000	104,864	124,242	0	230,106
120-000-000	REET & PROPERTY TAX ADMIN ASST	0	78	1,389	0	1,467
127-000-000	CUM RES/INSURANCE DEDUCTIBLE	10,050	49,651	113,482	7,720	180,903
130-000-000	RESERVE LEGAL #2	0	100,077	124,488	0	224,565
131-000-000	RESERVE FOR ACCRUED LEAVE	0	183,226	81,759	35,000	299,985
134-000-000	NATL FOREST/SFTY NET PL106-393	38,667	34,444	0	0	73,111
135-000-000	TRIAL COURT IMPROVEMENT	104,195	23,996	0	0	128,191
138-000-000	FAMILY LAW FACILITATOR	1,580	15,190	0	0	16,770
140-000-000	SHERIFF SPECIAL FUNDS	68,623	197,245	0	0	265,868
145-000-000	OAKLAND BAY SHLFISH PROTECTION	147,472	0	0	0	147,472
150-000-000	PUBLIC HEALTH	279,700	2,365,433	0	185	2,645,318
160-000-000	LAW LIBRARY	88,648	23,048	0	0	111,696
163-000-000	LODGING (MOTEL/HOTEL) TAX	264,310	279,602	0	2,105	546,017
164-000-000	MENTAL HEALTH	76,822	543,948	122,351	0	743,121
180-000-000	TREASURER'S M&O	12,688	132,842	72,349	0	217,879
190-000-000	VETERANS ASSISTANCE FUND	707	84,044	71,581	0	156,332
192-000-000	SKOKOMISH FLOOD ZONE	187,439	3,354	0	0	190,793
194-000-000	MASON LAKE AQUATIC WEEDS MGMT	117	40,560	39,849	0	80,526
199-001-000	ISLAND LAKE MGMT.DIST.#1	0	3,488	2,207	0	5,695
200-000-000	M.CO. LIMITED TAX GO BOND,1998	129	0	0	0	129
205-000-000	PUBLIC WORKS FAC BOND 2007	1	1,168,024	0	0	1,168,025
250-000-000	M.CO. LIMITED TAX GO BOND 2008	301	311,480	215,313	129	527,223
350-000-000	CAPITAL IMPROVEMENTS- REET 1	30,681	2,992,940	732,642	146,000	3,902,263
351-000-000	CAPITAL IMPROVEMENTS- REET 2	34,272	655,048	1,330,227	0	2,019,547
402-000-000	MASON COUNTY LANDFILL	165,317	2,784,784	0	380	2,950,481
403-000-000	WASTEWATER NO.BAY/CASE INLET	322,164	1,473,871	0	657	1,796,692
404-000-000	NBCI SEWER UTILITY RESERVE	125	88	200,000	0	200,213
405-000-000	WASTEWATER SYSTEM DEVELOPMENT	4,019	0	0	0	4,019

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Total Available
				Investment Liquidated	Transfers In	
406-000-000	COMBINED UTILITIES ADMIN.	61,984	501,509	0	0	563,493
411-000-000	RUSTLEWOOD SEWER & WATER	26,591	221,652	0	0	248,243
412-000-000	BEARDS COVE WATER	21,427	197,830	0	0	219,257
413-000-000	BELFAIR WW & WTR RECLAMATION	492,680	5,397,212	1,850,000	3,354	7,743,246
413-000-125	BELFAIR WASTEWATER FISCAL	0	0	0	2,182,741	2,182,741
428-000-000	CUM RESERVE LANDFILL	71,369	605	0	0	71,974
429-000-000	RESERVE BEARDS COVE	1,197	20,178	0	0	21,375
429-000-020	ULID BEARDS COVE RESERVE	143	30	0	0	173
480-000-000	STORM DRAINAGE SYSTEM DEVELOP	242,055	77,142	0	0	319,197
501-000-000	EQUIPMENT RENTAL & REVOLVING	1,962,279	2,873,252	2,500,000	102,264	7,437,795
501-000-548	RES.FOR REPLAC.OF COUNTY SHOPS	50,023	283	0	4,521	54,827
502-000-000	UNEMPLOYMENT FUND	191,864	76,459	0	0	268,323
625-000-000	TAX FORECLOSURE TRUST	38,900	268,679	0	0	307,579
631-000-000	CLAIMS CLEARING	593,630	0	0	39,880,634	40,474,264
632-000-000	SALARY CLEARING	93,277	0	0	19,642,535	19,735,812
637-000-000	COMMUNITY HEALTH & SOCIAL SER	1,043	1,043	0	0	2,086
645-000-000	TREASURERS TRUST SUSPENSE	70,099	132,352	0	0	202,451
646-000-020	COUNTY TIMBER TAX RESERVE	194,872	57,951	0	0	252,823
647-000-000	COUNTY TREASURER'S AGENCY FD	2,914	2,416	0	0	5,330
650-010-010	STATE SCHOOL	110,738	260,169	0	0	370,907
650-020-010	STATE SCHOOL REFUND FUND	959	(8)	0	0	951
650-080-010	STATE-MARRIAGE LICENSE FEES	375	345	0	0	720
650-100-010	STATE-SURVEY & MAPS FEES	736	1,196	0	0	1,932
650-110-010	ARCHIVES & RECORDS MANAGEMENT	1,587	1,208	0	0	2,795
650-120-010	ARCHIVES & RECORDS MGT DIGITAL	1,587	1,208	0	0	2,795
650-125-010	STATE-HERITAGE CENTER	3,174	2,396	0	20	5,590
650-130-010	MORTGAGE LENDING FRAUD PROSEC	225	164	0	0	389
650-140-010	HEALTH CERTIFIED COPY FEE	1,248	1,208	0	0	2,456
650-145-010	VITAL RECORDS	776	659	0	0	1,435
650-150-010	REAL ESTATE EXCISE TAX	0	138,538	0	0	138,538
650-155-010	HOME SECURITY FUND	18,047	14,089	0	0	32,136
650-160-010	PUBLIC SAFETY AND EDUCATION	77,844	75,055	0	0	152,899
650-170-010	STATE BUILDING CODE FEE	189	167	0	0	356
650-180-010	STATE AFFORDABLE HOUSING	4,653	3,634	0	0	8,287
658-000-010	FOREST FIRE PATROL	5,792	11,982	0	0	17,774
660-000-010	CITY OF SHELTON	9,108	33,946	0	0	43,054
660-000-030	CITY OF SHELTON EMS	1,015	2,461	0	0	3,476
660-000-060	CITY OF SHELTON BOND	957	2,660	0	0	3,617
660-000-080	CITY FIREMEN'S PENSION FUND	527	1,462	0	0	1,989
661-001-010	SHELTON METRO PARK DIST	1,634	4,277	0	0	5,911
662-001-010	CEMETERY DIST #1	1,062	5,717	6,500	0	13,279

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Transfers In	Total Available
				Investment	Liquidated		
665-001-010	FIRE DIST. #1 EXPENSE	19,634	122,246	131,257	0	0	273,137
665-001-020	FIRE DIST.#1 RESERVE	0	194	0	0	0	194
665-001-040	FIRE DIST. #1 EMERG.MED.SER.	2,100	46,175	12,635	0	0	60,910
665-001-060	FIRE DIST.#1 BOND	0	3	0	0	0	3
665-002-010	FIRE DIST #2 EXPENSE	115,796	2,635,813	2,208,000	662,103	0	5,621,712
665-002-040	FIRE DIST. #2 EMERGENCY MED.	4,256	672,498	0	0	0	676,754
665-002-060	FIRE DIST.#2 BOND	121	30	0	0	0	151
665-002-095	FIRE DIST.#2 BENEFIT CHARGE	29	322	0	0	0	351
665-003-010	FIRE DIST.#3 EXPENSE	161,609	380,826	0	0	0	542,435
665-003-020	FIRE DIST.#3 RESERVE	2,529	22	0	0	0	2,551
665-003-040	FIRE DIST.#3 EMERGENCY MED.	71,566	72,808	0	0	0	144,374
665-004-010	FIRE DIST.#4 EXPENSE	153,224	972,766	0	87,000	0	1,212,990
665-004-020	FIRE DIST.#4 RESERVE	522	265	87,000	16,933	0	104,720
665-004-040	FIRE DIST.#4 EMERG.MED.SER.	14,834	15,182	0	0	0	30,016
665-005-010	FIRE DIST.#5 EXPENSE	209,564	5,673,221	0	527,611	0	6,410,396
665-005-020	FIRE DIST.#5 RESERVE	94	1,399	0	0	0	1,493
665-005-040	FIRE DIST.#5 EMERGENCY MEDICAL	3,123	531,170	0	0	0	534,293
665-005-050	FIRE DISTRICT 5 LTGO 2013	0	820,000	0	804,730	0	1,624,730
665-005-070	FIRE DIST #5 REFUNDING LGO '06	0	0	0	23,045	0	23,045
665-005-125	FIRE DIST. #5 FISCAL	0	0	0	46,090	0	46,090
665-006-010	FIRE DIST.#6 EXPENSE	195,091	379,906	0	626,574	0	1,201,571
665-006-020	FIRE DIST.#6 RESERVE	2,566	77	0	0	0	2,643
665-006-040	FIRE DIST.#6 EMERG.MED.SER.	61,661	157,616	0	0	0	219,277
665-006-050	FD 6 ACQUISITION FUND 13 LEASE	0	0	0	820,000	0	820,000
665-006-060	FIRE DIST.#6 BOND	470	226	0	527	0	1,223
665-008-010	FIRE DIST.#8 EXPENSE	56,344	196,561	210,400	116,129	0	579,434
665-008-020	FIRE DIST.#8 RESERVE	12,366	73	0	0	0	12,439
665-008-040	FIRE DIST. #8 EMERGENCY MED.	34,850	56,473	26,091	0	0	117,414
665-008-060	FIRE DIST.#8 BOND	(12,229)	10	4,812	31,905	0	24,498
665-009-010	FIRE DIST #9 EXPENSE	69,845	111,311	50,000	0	0	231,156
665-009-020	FIRE DIST.#9 RESERVE	8,997	4	0	0	0	9,001
665-009-040	FIRE DIST.#9 EMERG.MED.SER.	92,332	68,974	0	0	0	161,306
665-011-010	FIRE DIST.#11 EXPENSE	85,161	247,744	0	0	0	332,905
665-011-020	FIRE DIST.#11 RESERVE	38	0	0	0	0	38
665-011-040	FIRE DIST.#11 EMERG.MED.SER.	22,764	47,070	0	0	0	69,834
665-011-060	FIRE DIST.#11 BOND	5,534	25,544	0	0	0	31,078
665-012-010	FIRE DIST.#12 EXPENSE	56,886	103,578	0	46,070	0	206,534
665-012-020	FIRE DIST.#12 RESERVE	3,004	27	0	0	0	3,031
665-012-040	FIRE DIST.#12 EMERG.MED.SER.	19,346	69,704	500	0	0	89,550
665-012-060	FIRE DIST.#12 BOND	533	5	0	0	0	538
665-013-010	FIRE DIST.#13 EXPENSE	26,973	121,628	0	35,909	0	184,510

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Total Available
				Investment Liquidated	Transfers In	
665-013-020	FIRE DIST.#13 RESERVE	68,626	497	0	0	69,123
665-013-040	FIRE DIST.#13 EMERG.MED.SER.	12,184	87,947	0	0	100,131
665-013-060	FIRE DIST.#13 BOND	824	414	0	14,330	15,568
665-013-125	FIRE DIST.#13 FISCAL	0	0	0	14,330	14,330
665-016-010	FIRE DIST.#16 EXPENSE	24,036	134,445	0	0	158,481
665-016-020	FIRE DIST.#16 RESERVE	1,661	256	0	10,000	11,917
665-016-040	FIRE DIST.#16 EMERG.MED.SER.	6,282	1,239	0	0	7,521
665-016-060	FIRE DIST.#16 BOND	155	0	0	0	155
665-017-010	FIRE DIST.#17 EXPENSE	76,981	80,357	0	0	157,338
665-017-040	FIRE DIST.#17 EMERG.MED.SER.	32,936	39,304	0	0	72,240
665-017-060	FIRE DIST.#17 BOND	4	0	0	0	4
665-018-010	FIRE DIST.#18 EXPENSE	42,768	192,427	0	2,850	238,045
665-018-020	FIRE DIST.#18 RESERVE	2	1	0	0	3
665-018-030	FIRE DIST.#18 CAPITAL PROJECTS	6	0	0	0	6
665-018-040	FIRE DIST.#18 EMERG.MED.SER.	28,191	68,564	10,591	0	107,346
665-018-060	FIRE DIST.#18 BOND	7,688	95,662	3,000	5,591	111,941
668-010-010	M.C. PUBLIC TRANSP BENEFIT	1,826,738	7,625,922	1,000,000	0	10,452,660
670-000-010	PORT OF ALLYN	86,113	328,626	119,812	0	534,551
670-000-065	PORT OF ALLYN LIM TX GO BD '06	0	0	0	24,700	24,700
670-000-125	PORT OF ALLYN FISCAL	0	0	0	24,700	24,700
670-005-010	PORT OF ALLYN INDUSTRIAL DEV	542	194	3,000	41,717	45,453
670-006-010	PORT OF ALLYN WATER SYSTEM	(275)	9,005	5,700	0	14,430
670-010-010	PORT OF DEWATTO	24,449	59,682	0	0	84,131
670-020-010	PORT OF GRAPEVIEW	10,984	22,897	5,000	0	38,881
670-020-030	PORT OF GRAPEVIEW CAPL. CONST	459	75	0	5,000	5,534
670-030-010	PORT OF HOODSPORT	164,141	100,787	163,000	0	427,928
670-040-010	PORT OF SHELTON	5,198	8,125	0	0	13,323
675-001-010	MASON GENERAL HOSPITAL	1,138,468	70,634,180	7,333,432	17,979,633	97,085,713
675-001-015	PHD#1 ADMINISTRATIVE FUND	19,742	2,613,519	9,837,617	6,450,000	18,920,878
675-001-020	PUB.HOSP.#1 EMPLOYEES MED.BEN	8	83	0	10,067,623	10,067,714
675-001-035	MGH FUNDED DEPRECIATION	8,064,121	18,462	6,498,998	2,978,000	17,559,581
675-001-040	PUB.HOSP.DIST.#1 MEMORIAL	5	55	0	0	60
675-001-060	PHD UNL GO BONDS 2005	40	398	0	0	438
675-001-068	HOSPITAL RENOVATION	786	5,841	3,869,936	0	3,876,563
675-001-070	PHD LIM TAX GO REFUNDING '04	0	0	0	353,600	353,600
675-001-080	PHD #1 PROJECT FUND 2010	841	1,602	2,673,784	0	2,676,227
675-001-085	PHD #1 LGO BOND 2010 A & B	0	0	0	1,990,453	1,990,453
675-001-125	PUB.HOSP.DIST.#1 FISCAL	0	0	0	2,343,402	2,343,402
675-002-010	MASON CTY HOSP DIST #2	9	1	0	0	10
675-002-015	HOSPITAL #2	417,865	540,844	0	11	958,720
680-001-010	P.U.D.#1 GENERAL	1,278,009	9,625,966	695,000	3,078,159	14,677,134

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Transfers In	Total Available
				Investment	Liquidated		
680-011-010	PUD#1 EMERGENCY FUND	292	85	0	0	0	377
680-020-010	PUD #1 TRUCK REPLACEMENT FUND	635	126,566	93,254	6,000	6,000	226,455
680-021-010	PUD#1 COMPUTER REPLACEMENT FD	279	231	0	0	0	510
680-025-010	PUD#1 MATERIAL PURCHASES	660	66,645	0	6,000	6,000	73,305
680-027-010	PUD#1 AUTOMATED METER READING	73	60	0	0	0	133
680-031-060	PUD#1 '93 ELEC.REV.&REFNDG.BD	446	2	0	0	0	448
680-031-130	PUD#1 '93 ELEC.REV.BD. RESERVE	47	39	0	0	0	86
680-040-060	PUD#1 WATER SYS. REV. BOND '02	32,989	112,219	0	22,470	22,470	167,678
680-040-130	PUD#1 WTR.SYS.REV.BD RESV.'02	215	178	0	0	0	393
680-045-130	PUD#1 WATER SYS BD RESERVE '09	3,500	0	0	0	0	3,500
680-050-060	PUD#1 REA BONDS-COLLECTIVE	94,226	384,918	615,900	44,536	44,536	1,139,580
680-060-060	PUD #1 REA BOND SPEC.#13	0	0	0	19,618	19,618	19,618
680-061-060	PUD #1 REA BOND SPEC.#14	0	53,131	0	557,050	557,050	610,181
680-064-060	PUD 1 ELEC SYS REV NOTE 2013	0	1,996,501	6,651	0	0	2,003,152
680-070-130	PUD#1 LUD#1/HARSTENE RETRT WTR	198	5,972	1,990	0	0	8,160
680-101-010	PUD#1 UNION WATER SYSTEM GEN.	6,475	(43,571)	50,386	8,691	8,691	21,981
680-102-010	PUD#1 HYLAND PARK WATER SYS	1,020	(22,392)	22,985	3,105	3,105	4,718
680-103-010	PUD#1 HOODSPORT/SUNCRST WT SYS	13,275	(43,157)	57,000	10,341	10,341	37,459
680-104-010	PUD#1 HIGHLAND ESTATES WT SYS	2,039	(12,159)	14,700	2,167	2,167	6,747
680-106-010	PUD#1 BLOOMFIELD RD WT SYS	335	(2,700)	2,676	288	288	599
680-107-010	PUD#1 HOOD CANAL WATER SYSTEM	949	264,899	35,980	6,813	6,813	308,641
680-108-010	PUD#1 MT. VIEW WATER SYSTEM	1,472	(2,089)	3,000	618	618	3,001
680-109-010	PUD#1 MADRONA BEACH WATER SYS	(134)	(3,666)	3,000	1,800	1,800	1,000
680-110-010	PUD#1 LAKEWOOD HEIGHTS WTR SYS	(401)	(13,189)	14,700	3,121	3,121	4,231
680-110-125	PUD#1 FISCAL	0	0	0	126,128	126,128	126,128
680-111-010	PUD#1 HARSTENE RETREAT WTR SYS	1,146	(3,283)	3,100	1,037	1,037	2,000
680-112-010	PUD#1 CHERRY PARK WATER SYSTEM	617	(5,525)	5,966	1,613	1,613	2,671
680-113-010	PUD#1 MINERVA TERRACE WT. SYS	210	(2,705)	2,900	1,088	1,088	1,493
680-114-010	PUD#1 TIGER LAKE WATER SYSTEM	7,210	(13,536)	20,500	999	999	15,173
680-115-010	PUD#1 BAY EAST WATER SYSTEM	7,122	(10,348)	17,353	1,761	1,761	15,888
680-116-010	PUD#1 BAYSHORE WATER SYSTEM	6,823	(13,697)	20,400	1,694	1,694	15,220
680-117-010	PUD#1 SOUTHSIDE WATER SYSTEM	918	(2,782)	3,000	72	72	1,208
680-118-010	PUD#1 WATSON WATER SYSTEM	2,330	(5,616)	7,980	120	120	4,814
680-119-010	PUD#1 AGATE BEACH WATER SYSTEM	6,037	(6,915)	13,200	1,185	1,185	13,507
680-120-010	PUD#1 UNION RIDGE WATER SYSTEM	647	(8,542)	9,200	1,082	1,082	2,387
680-121-010	PUD#1 CRAIG WATER SYSTEM	639	(774)	800	220	220	885
680-122-010	PUD #1 MADRONA BEACH SEWER SYS	4,092	4,567	2,100	768	768	11,527
680-123-010	PUD#1 VIEW RIDGE HTS.WATER SYS	44	(20,747)	20,111	4,440	4,440	3,848
680-124-010	PUD#1 ALDERBROOK WATER SYSTEM	15,159	(50,946)	59,900	20,052	20,052	44,165
680-125-010	PUD#1 VUECREST WATER SYSTEM	5,043	(8,430)	13,700	702	702	11,015
680-126-010	PUD#1 LAKE ARROWHEAD WATER SYS	26,529	(52,539)	77,900	9,112	9,112	61,002

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Total Available
				Investment Liquidated	Transfers In	
680-127-010	PUD#1 PIRATES COVE WATER SYS	5,159	(8,771)	14,200	4,044	14,632
680-128-010	PUD#1 CANYONWOOD BEACH WTR SYS	1,166	(6,235)	6,200	5,068	6,199
680-129-010	PUD #1 CANAL MUTUAL WATER SYS	4,627	(9,476)	13,400	4,850	13,401
680-130-010	PUD#1 TWANOH HEIGHTS WATER SYS	9,306	(24,484)	33,600	1,448	19,870
680-131-010	PUD#1 ARCADIA ESTATES WTR SYS	2,021	(3,991)	5,900	1,970	5,900
680-132-010	PUD#1 CANAL BEACH TR/GLEN AYR	3,172	(4,967)	7,900	1,795	7,900
680-133-010	PUD#1 VIEW CREST BEACH WTR SYS	5,553	(7,634)	12,700	770	11,389
680-134-010	TWANOH TERRACE WATER SYSTEM	1,540	(2,426)	3,400	887	3,401
680-135-010	PUD #1 ISLAND HIDE-AWAY WT SYS	741	(945)	1,200	498	1,494
680-136-010	CUSHMAN INC.	136	(209)	0	72	(1)
680-137-010	PUD #1 BPA LOAD SHAPING FUND	1,569	(1,001,254)	2,002,405	1,002,405	2,005,125
680-138-010	PUD #1 FACILITY BUILDING	39	55,113	0	5,000	60,152
680-139-010	HOLIDAY VIEW TWO	0	323	0	0	323
681-000-010	ENHANCED 911 - UTILITY TAX	357,905	1,751,608	0	0	2,109,513
682-000-010	REGIONAL LIBRARY	21,736	47,392	0	0	69,128
685-042-010	SCHOOL DIST.#42 GENERAL	168,976	2,290,119	329,831	0	2,788,926
685-042-030	SCH.DIST.#42 CAPITAL PROJECTS	5,141	69	4,500	20,531	30,241
685-042-060	SCH.DIST.#42 DEBT.SERVICE	26,837	295,042	206,952	0	528,831
685-042-080	SCH.DIST.#42 ASB	1,165	5,302	4,620	0	11,087
685-042-090	SCH.DIST.#42 TRANS.VEHICLE	24	8,165	0	0	8,189
685-042-125	SCHOOL DIST.#42 FISCAL AGENT	0	0	0	276,650	276,650
685-054-010	SCHOOL DIST.#54 GENERAL	167,502	2,088,067	414,200	0	2,669,769
685-054-030	SCH.DIST.#54 CAPITAL PROJECTS	169	12,518,962	8,900	0	12,528,031
685-054-060	SCH.DIST.#54 DEBT.SERVICE	0	2,287	0	0	2,287
685-054-080	SCH.DIST.#54 ASB FUND	1,714	7,446	1,500	619	11,279
685-054-090	SCH.DIST.#54 TRANS.VEHICLE	361	29,554	0	0	29,915
685-065-010	SCHOOL DISTRICT #65 GENERAL	0	258	0	0	258
685-065-060	SCH.DIST. #65 DEBT SERVICE	0	190	0	0	190
685-137-010	SCHOOL DIST.#137 GENERAL	386	4,356	0	0	4,742
685-309-010	SCHOOL DIST.#309 GENERAL	3,268,249	43,413,036	5,008,956	0	51,690,241
685-309-050	SCH.D.#309 TRUST & AGENCY FUND	30	526	1,477	0	2,033
685-309-060	SCH.DIST.#309 DEBT.SERVICE	(174,660)	2,732,599	2,894,880	164,346	5,617,165
685-309-080	SCH.DIST.#309 ASB	70,833	505,089	0	0	575,922
685-309-090	SCH.DIST.#309 TRANS.VEHICLE	10	152,667	133,412	0	286,089
685-309-125	SCHOOL DIST.#309 FISCAL AGENT	0	0	0	2,886,793	2,886,793
685-311-010	SCHOOL DIST.#311 GENERAL	(1,615)	2,928,555	608,409	0	3,535,349
685-311-030	SCH.DIST.#311 CAPITAL PROJECTS	1	90	114,408	0	114,499
685-311-080	SCHOOL DIST.#311 ASB	4,642	39,434	9,222	0	53,298
685-311-090	SCH.DIST.#311 TRANS.VEHICLE	7	29,638	1,556	0	31,201
685-402-010	SCHOOL DIST.#402 GENERAL	631,808	8,500,895	1,158,000	0	10,290,703
685-402-030	SCH.DIST.#402 CAPITAL PROJECTS	4	18	0	0	22

Fund Number	Fund Title	Beginning Balance	Receipts	Cash Activity - IN		Transfers In	Total Available
				Investment	Liquidated		
685-402-060	SCH.DIST.#402 DEBT SERVICE	665	8,094	0	0	0	8,759
685-402-080	SCHOOL DIST. #402 ASB	9,001	37,713	5,000	0	0	51,714
685-402-090	SCH.DIST.#402 TRANS.VEHICLE	533	37,562	0	0	0	38,095
685-403-010	SCHOOL DIST. #403 GENERAL	1,416,519	20,081,337	3,281,249	0	0	24,779,105
685-403-030	SCH.DIST.#403 CAPITAL PROJECTS	31,311	50,246,327	1,737,126	0	0	52,014,764
685-403-060	SCH.DIST.#403 DEBT SERVICE	1,278	1,045,002	400	1,059,395	0	2,106,075
685-403-080	SCHOOL DIST. #403 ASB	22,788	353,841	122,890	0	0	499,519
685-403-090	SCH.DIST.#403 TRANS.VEHICLE	42	209,683	222,064	0	0	431,789
685-403-125	SCHOOL DIST. #403 FISCAL AGENT	0	0	0	915,290	0	915,290
685-404-010	SCHOOL DIST. #404 GENERAL	293,684	4,124,756	646,514	0	0	5,064,954
685-404-030	SCH.DIST.#404 CAPITAL PROJECTS	47,820	8,801	115,271	11	0	171,903
685-404-050	SCH.D.#404 TRUST & AGENCY FUND	29	536	906	0	0	1,471
685-404-060	SCH.DIST.#404 DEBT SERVICE	10,552	856,762	718,094	0	0	1,585,408
685-404-080	SCHOOL DIST. #404 ASB	878	10,911	8,423	0	0	20,212
685-404-090	SCH.DIST.#404 TRANS.VEHICLE	13	58,999	0	0	0	59,012
685-404-125	SCHOOL DIST. #404 FISCAL AGENT	0	0	0	806,188	0	806,188
690-001-010	BELFAIR WATER DIST.#1 M & O	72,187	770,576	0	92,650	0	935,413
690-001-020	BWD PWTF LOAN REPAYMENT	0	44,800	0	11,228	0	56,028
690-001-030	BELFAIR WATER DIST.#1 CONST.	3,000	60,280	0	6,000	0	69,280
690-001-040	BELFAIR WATER DIST. SYSTEM DEV	10,375	123,150	0	0	0	133,525
690-001-045	BWD CAPITAL IMPROVEMENT FACIL	5,628	40,601	0	0	0	46,229
690-001-080	BWD SATELLITE MANAGEMENT FUND	1	300	0	0	0	301
690-002-010	TRAILS END WATER DIST.#2 GEN.	11,190	27,526	16,790	0	0	55,506
690-002-020	TEW DIST#2 RESERVE MAINTENANCE	34	68	0	0	0	102
690-002-065	TEW DIST. #2 WATER REVENUE	9,013	12,718	0	0	0	21,731
690-002-130	TEW DIST.#2 ASSESSMENT REV.	16	32	0	0	0	48
690-003-010	MAGGIE LAKE WATER DIST.#3	4,725	60,900	0	0	0	65,625
690-003-020	MLWD #3 CAPITAL IMPRV RESERVE	2,230	38	0	5,431	0	7,699
690-003-060	MAGGIE LAKE REV.BOND	3,483	558	0	0	0	4,041
690-003-070	MAGGIE LAKE REV.BOND RESERVE	40	0	0	0	0	40
690-004-010	TAHUYA RIVER VALLEY WATER DIST	2,978	10,471	0	0	0	13,449
690-005-010	HARTSTENE POINTE WTR-SWR DIST	180,582	661,396	0	0	0	841,978
690-005-020	HARTSTENE PTE WTR/SWR RESERVE	37	245	0	9,000	0	9,282
690-005-030	HARTSTENE PTE WTR-SWR ECOLOGY	19,734	19	0	9,234	0	28,987
690-005-060	HARTSTENE PTE BOND FUND	0	0	0	39,330	0	39,330
690-005-065	HARTSTENE PTE CAPITAL PROJECT	0	73,531	0	0	0	73,531
690-005-070	HARTSTENE PTE WTR REV BOND '12	983	0	0	3,933	0	4,916
Total Fund Cash		37,126,642	330,914,545	64,829,704	119,464,698	552,335,589	

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
001-000-000	CURRENT EXPENSE	0	25,246,350	181,000	3,564	25,430,914	7,308,200
103-000-000	RURAL CO SALES & USE TAX (.09)	477,045	714,901	0	0	1,191,946	43,246
104-000-000	AUDITOR'S O&M FUND	0	129,504	0	0	129,504	96,340
105-000-000	COUNTY ROAD	500,784	12,868,544	0	0	13,369,328	3,947,422
105-000-420	CO.RD.UNLIM.HIB'68 & RID#1 RES	0	0	0	0	0	4,420
105-000-421	CO.RD.RID# 2,3 RESERVE	0	0	0	0	0	461
106-000-000	PATHS & TRAILS RESERVE	0	0	0	0	0	32,623
109-000-000	ELECTION EQUIPMENT HOLDING	0	0	0	0	0	78,696
110-000-000	CRIME VICTIMS COMPENSATING FD	0	57,348	0	0	57,348	280,634
114-000-000	VICTIM WITNESS ACTIVITIES FUND	0	0	0	0	0	42,504
116-000-000	HISTORICAL PRESERVATION	0	39,333	0	0	39,333	85,804
117-000-000	COMMUNITY SUPPORT SERVICES	0	784,923	0	0	784,923	566,072
118-000-000	ABATEMENT/REPAIR & DEMOLITION	1,540	72	0	0	1,612	0
119-000-000	RESERVE FOR TECHNOLOGY	84,915	145,192	0	0	230,107	(1)
120-000-000	REET & PROPERTY TAX ADMIN ASST	65	1,401	0	0	1,466	1
127-000-000	CUM RES/INSURANCE DEDUCTIBLE	66,970	113,882	0	0	180,852	51
130-000-000	RESERVE LEGAL #2	91,102	133,463	0	0	224,565	0
131-000-000	RESERVE FOR ACCRUED LEAVE	27,167	93,231	0	0	120,398	179,587
134-000-000	NATL FOREST/SFTY NET PL106-393	0	44,745	0	0	44,745	28,366
135-000-000	TRIAL COURT IMPROVEMENT	0	70,174	0	0	70,174	58,017
138-000-000	FAMILY LAW FACILITATOR	0	15,500	0	0	15,500	1,270
140-000-000	SHERIFF SPECIAL FUNDS	0	180,385	0	0	180,385	85,483
145-000-000	OAKLAND BAY SHLFISH PROTECTION	0	147,472	0	0	147,472	0
150-000-000	PUBLIC HEALTH	0	2,251,092	0	0	2,251,092	394,226
160-000-000	LAW LIBRARY	0	21,942	0	0	21,942	89,754
163-000-000	LODGING (MOTEL/HOTEL) TAX	0	312,685	0	0	312,685	233,332
164-000-000	MENTAL HEALTH	518,073	123,217	0	1,269	642,559	100,562
180-000-000	TREASURER'S M&O	78,469	105,242	0	72	183,783	34,096
190-000-000	VETERANS ASSISTANCE FUND	70,217	84,801	0	0	155,018	1,314
192-000-000	SKOKOMISH FLOOD ZONE	0	5,392	0	0	5,392	185,401
194-000-000	MASON LAKE AQUATIC WEEDS MGMT	34,158	46,063	0	0	80,221	305
199-001-000	ISLAND LAKE MGMT.DIST.#1	3,572	2,071	0	0	5,643	52
200-000-000	M.CO. LIMITED TAX GO BOND,1998	0	0	129	0	129	0
205-000-000	PUBLIC WORKS FAC BOND 2007	0	0	1,163,503	0	1,163,503	4,522
250-000-000	M.CO. LIMITED TAX GO BOND 2008	400	0	215,011	301	215,712	311,511
350-000-000	CAPITAL IMPROVEMENTS- REET 1	747,789	744,497	0	0	1,492,286	2,409,977
351-000-000	CAPITAL IMPROVEMENTS- REET 2	1,014,313	919,076	0	0	1,933,389	86,158
402-000-000	MASON COUNTY LANDFILL	105,001	2,871,144	0	0	2,976,145	(25,664)
403-000-000	WASTEWATER NO.BAY/CASE INLET	355,179	1,135,004	99,362	257	1,589,802	206,890
404-000-000	NBCI SEWER UTILITY RESERVE	88	0	200,000	0	200,088	125
405-000-000	WASTEWATER SYSTEM DEVELOPMENT	0	32	0	0	32	3,987

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
406-000-000	COMBINED UTILITIES ADMIN.	0	482,386	0	0	482,386	81,107
411-000-000	RUSTLEWOOD SEWER & WATER	30,024	122,908	0	35,398	188,330	59,913
412-000-000	BEARDS COVE WATER	50,133	149,867	0	0	200,000	19,257
413-000-000	BELFAIR WW & WTR RECLAMATION	2,051,165	2,782,797	2,182,741	20,728	7,037,431	705,815
413-000-125	BELFAIR WASTEWATER FISCAL	0	0	0	2,182,741	2,182,741	0
428-000-000	CUM RESERVE LANDFILL	60,605	0	0	0	60,605	11,369
429-000-000	RESERVE BEARDS COVE	9,776	0	0	0	9,776	11,599
429-000-020	ULID BEARDS COVE RESERVE	2	0	0	0	2	171
480-000-000	STORM DRAINAGE SYSTEM DEVELOP	0	102,597	0	0	102,597	216,600
501-000-000	EQUIPMENT RENTAL & REVOLVING	0	6,390,825	4,521	0	6,395,346	1,042,449
501-000-548	RES.FOR REPLAC.OF COUNTY SHOPS	0	0	0	0	0	54,827
502-000-000	UNEMPLOYMENT FUND	0	75,199	0	0	75,199	193,124
625-000-000	TAX FORECLOSURE TRUST	0	7,908	0	72,063	79,971	227,608
631-000-000	CLAIMS CLEARING	0	139,708	1,107	40,025,957	40,166,772	307,492
632-000-000	SALARY CLEARING	0	0	0	19,690,968	19,690,968	44,844
637-000-000	COMMUNITY HEALTH & SOCIAL SER	0	0	0	1,043	1,043	1,043
645-000-000	TREASURERS TRUST SUSPENSE	0	0	0	18,542	18,542	183,909
646-000-020	COUNTY TIMBER TAX RESERVE	0	0	0	0	0	252,823
647-000-000	COUNTY TREASURER'S AGENCY FD	0	0	0	2,914	2,914	2,416
650-010-010	STATE SCHOOL	0	0	0	110,738	110,738	260,169
650-020-010	STATE SCHOOL REFUND FUND	0	0	0	0	0	951
650-080-010	STATE-MARRIAGE LICENSE FEES	0	0	0	375	375	345
650-100-010	STATE-SURVEY & MAPS FEES	0	0	0	736	736	1,196
650-110-010	ARCHIVES & RECORDS MANAGEMENT	0	0	0	1,587	1,587	1,208
650-120-010	ARCHIVES & RECORDS MGT DIGITAL	0	0	0	1,587	1,587	1,208
650-125-010	STATE-HERITAGE CENTER	0	0	0	3,174	3,174	2,416
650-130-010	MORTGAGE LENDING FRAUD PROSEC	0	0	0	225	225	164
650-140-010	HEALTH CERTIFIED COPY FEE	0	0	0	1,248	1,248	1,208
650-145-010	VITAL RECORDS	0	0	0	776	776	659
650-150-010	REAL ESTATE EXCISE TAX	0	0	0	95,425	95,425	43,113
650-155-010	HOME SECURITY FUND	0	0	0	18,047	18,047	14,089
650-160-010	PUBLIC SAFETY AND EDUCATION	0	0	0	77,844	77,844	75,055
650-170-010	STATE BUILDING CODE FEE	0	0	0	189	189	167
650-180-010	STATE AFFORDABLE HOUSING	0	0	20	4,653	4,673	3,614
658-000-010	FOREST FIRE PATROL	0	0	30	5,792	5,822	11,952
660-000-010	CITY OF SHELTON	0	0	0	9,108	9,108	33,946
660-000-030	CITY OF SHELTON EMS	0	0	0	1,015	1,015	2,461
660-000-060	CITY OF SHELTON BOND	0	0	0	957	957	2,660
660-000-080	CITY FIREMEN'S PENSION FUND	0	0	0	527	527	1,462
661-001-010	SHELTON METRO PARK DIST	0	0	0	1,634	1,634	4,277
662-001-010	CEMETERY DIST #1	0	0	0	12,684	12,684	595

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
665-001-010	FIRE DIST. #1 EXPENSE	0	0	0	181,559	181,559	91,578
665-001-020	FIRE DIST.#1 RESERVE	0	0	0	0	0	194
665-001-040	FIRE DIST. #1 EMERG.MED.SER.	0	0	0	20,007	20,007	40,903
665-001-060	FIRE DIST.#1 BOND	0	0	0	0	0	3
665-002-010	FIRE DIST #2 EXPENSE	1,933,293	0	2,532	3,555,537	5,491,362	130,350
665-002-040	FIRE DIST. #2 EMERGENCY MED.	0	0	661,819	0	661,819	14,935
665-002-060	FIRE DIST.#2 BOND	0	0	0	0	0	151
665-002-095	FIRE DIST.#2 BENEFIT CHARGE	0	0	284	0	284	67
665-003-010	FIRE DIST.#3 EXPENSE	0	0	0	359,095	359,095	183,340
665-003-020	FIRE DIST.#3 RESERVE	0	0	0	0	0	2,551
665-003-040	FIRE DIST.#3 EMERGENCY MED.	0	0	0	65,744	65,744	78,630
665-004-010	FIRE DIST.#4 EXPENSE	0	0	0	863,763	863,763	349,227
665-004-020	FIRE DIST.#4 RESERVE	17,498	0	87,000	0	104,498	222
665-004-040	FIRE DIST.#4 EMERG.MED.SER.	0	0	16,933	0	16,933	13,083
665-005-010	FIRE DIST.#5 EXPENSE	0	0	827,775	5,387,824	6,215,599	194,797
665-005-020	FIRE DIST.#5 RESERVE	0	0	0	0	0	1,493
665-005-040	FIRE DIST.#5 EMERGENCY MEDICAL	0	0	527,611	0	527,611	6,682
665-005-050	FIRE DISTRICT 5 LTGO 2013	0	0	820,000	805,141	1,625,141	(411)
665-005-070	FIRE DIST #5 REFUNDING LGO '06	0	0	46,090	0	46,090	(23,045)
665-005-125	FIRE DIST. #5 FISCAL	0	0	0	46,090	46,090	0
665-006-010	FIRE DIST.#6 EXPENSE	0	0	3,285	894,612	897,897	303,674
665-006-020	FIRE DIST.#6 RESERVE	0	0	0	0	0	2,643
665-006-040	FIRE DIST.#6 EMERG.MED.SER.	0	0	195,498	3,370	198,868	20,409
665-006-050	FD 6 ACQUISITION FUND 13 LEASE	0	0	429,921	0	429,921	390,079
665-006-060	FIRE DIST.#6 BOND	0	0	1,154	0	1,154	69
665-008-010	FIRE DIST.#8 EXPENSE	193,629	0	31,905	349,921	575,455	3,979
665-008-020	FIRE DIST.#8 RESERVE	0	0	0	0	0	12,439
665-008-040	FIRE DIST. #8 EMERGENCY MED.	0	0	116,129	236	116,365	1,049
665-008-060	FIRE DIST.#8 BOND	0	0	24,499	0	24,499	(1)
665-009-010	FIRE DIST #9 EXPENSE	0	0	0	140,975	140,975	90,181
665-009-020	FIRE DIST.#9 RESERVE	0	0	0	0	0	9,001
665-009-040	FIRE DIST.#9 EMERG.MED.SER.	0	0	0	107,933	107,933	53,373
665-011-010	FIRE DIST.#11 EXPENSE	0	0	0	218,841	218,841	114,064
665-011-020	FIRE DIST.#11 RESERVE	0	0	0	0	0	38
665-011-040	FIRE DIST.#11 EMERG.MED.SER.	0	0	0	39,831	39,831	30,003
665-011-060	FIRE DIST.#11 BOND	0	0	0	22,695	22,695	8,383
665-012-010	FIRE DIST.#12 EXPENSE	0	0	0	103,247	103,247	103,287
665-012-020	FIRE DIST.#12 RESERVE	0	0	0	0	0	3,031
665-012-040	FIRE DIST.#12 EMERG.MED.SER.	0	0	46,070	27,281	73,351	16,199
665-012-060	FIRE DIST.#12 BOND	0	0	0	0	0	538
665-013-010	FIRE DIST.#13 EXPENSE	0	0	0	160,387	160,387	24,123

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
665-013-020	FIRE DIST.#13 RESERVE	0	0	35,000	0	35,000	34,123
665-013-040	FIRE DIST.#13 EMERG.MED.SER.	0	0	14,330	67,949	82,279	17,852
665-013-060	FIRE DIST.#13 BOND	0	0	15,239	0	15,239	329
665-013-125	FIRE DIST.#13 FISCAL	0	0	0	14,330	14,330	0
665-016-010	FIRE DIST.#16 EXPENSE	0	0	10,000	98,605	108,605	49,876
665-016-020	FIRE DIST.#16 RESERVE	10,000	0	0	0	10,000	1,917
665-016-040	FIRE DIST.#16 EMERG.MED.SER.	0	0	0	805	805	6,716
665-016-060	FIRE DIST.#16 BOND	0	0	0	0	0	155
665-017-010	FIRE DIST.#17 EXPENSE	0	0	0	82,813	82,813	74,525
665-017-040	FIRE DIST.#17 EMERG.MED.SER.	0	0	0	17,737	17,737	54,503
665-017-060	FIRE DIST.#17 BOND	0	0	0	0	0	4
665-018-010	FIRE DIST.#18 EXPENSE	0	0	0	173,146	173,146	64,899
665-018-020	FIRE DIST.#18 RESERVE	0	0	0	0	0	3
665-018-030	FIRE DIST.#18 CAPITAL PROJECTS	0	0	0	0	0	6
665-018-040	FIRE DIST.#18 EMERG.MED.SER.	0	0	8,441	57,535	65,976	41,370
665-018-060	FIRE DIST.#18 BOND	0	0	11,182	92,642	103,824	8,117
668-010-010	M.C. PUBLIC TRANSP BENEFIT	1,000,000	0	0	7,732,047	8,732,047	1,720,613
670-000-010	PORT OF ALLYN	65,000	0	61,662	317,439	444,101	90,450
670-000-065	PORT OF ALLYN LIM TX GO BD '06	0	0	24,700	0	24,700	0
670-000-125	PORT OF ALLYN FISCAL	0	0	0	24,700	24,700	0
670-005-010	PORT OF ALLYN INDUSTRIAL DEV	26,962	0	0	17,729	44,691	762
670-006-010	PORT OF ALLYN WATER SYSTEM	0	0	4,755	4,366	9,121	5,309
670-010-010	PORT OF DEWATTO	0	0	0	69,777	69,777	14,354
670-020-010	PORT OF GRAPEVIEW	5,000	0	5,000	26,566	36,566	2,315
670-020-030	PORT OF GRAPEVIEW CAPL. CONST	5,000	0	0	0	5,000	534
670-030-010	PORT OF HOODSPORT	0	0	0	334,677	334,677	93,251
670-040-010	PORT OF SHELTON	0	0	0	5,198	5,198	8,125
675-001-010	MASON GENERAL HOSPITAL	7,261,315	0	16,517,623	71,677,961	95,456,899	1,628,814
675-001-015	PHD#1 ADMINISTRATIVE FUND	9,067,998	0	9,822,053	601	18,890,652	30,226
675-001-020	PUB.HOSP.#1 EMPLOYEES MED.BEN	86	0	0	10,067,623	10,067,709	5
675-001-035	MGH FUNDED DEPRECIATION	10,622,893	0	6,935,633	0	17,558,526	1,055
675-001-040	PUB.HOSP.DIST.#1 MEMORIAL	57	0	0	0	57	3
675-001-060	PHD UNL GO BONDS 2005	398	0	0	0	398	40
675-001-068	HOSPITAL RENOVATION	6,453	0	3,869,936	0	3,876,389	174
675-001-070	PHD LIM TAX GO REFUNDING '04	0	0	353,600	0	353,600	0
675-001-080	PHD #1 PROJECT FUND 2010	2,163	0	2,674,063	0	2,676,226	1
675-001-085	PHD #1 LGO BOND 2010 A & B	0	0	1,989,802	651	1,990,453	0
675-001-125	PUB.HOSP.DIST.#1 FISCAL	0	0	0	2,343,402	2,343,402	0
675-002-010	MASON CTY HOSP DIST #2	0	0	11	0	11	(1)
675-002-015	HOSPITAL #2	0	0	0	476,465	476,465	482,255
680-001-010	P.U.D.#1 GENERAL	1,242,405	0	1,167,699	11,089,911	13,500,015	1,177,119

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
680-011-010	PUD#1 EMERGENCY FUND	0	0	0	0	0	377
680-020-010	PUD #1 TRUCK REPLACEMENT FUND	132,000	0	93,254	0	225,254	1,201
680-021-010	PUD#1 COMPUTER REPLACEMENT FD	0	0	0	0	0	510
680-025-010	PUD#1 MATERIAL PURCHASES	72,000	0	0	0	72,000	1,305
680-027-010	PUD#1 AUTOMATED METER READING	0	0	0	0	0	133
680-031-060	PUD#1 '93 ELEC.REV.&REFNDG.BD	0	0	0	0	0	448
680-031-130	PUD#1 '93 ELEC.REV.BD. RESERVE	0	0	0	0	0	86
680-040-060	PUD#1 WATER SYS. REV. BOND '02	0	0	126,128	302	126,430	41,248
680-040-130	PUD#1 WTR.SYS.REV.BD RESV.'02	0	0	0	0	0	393
680-045-130	PUD#1 WATER SYS BD RESERVE '09	0	0	0	0	0	3,500
680-050-060	PUD#1 REA BONDS-COLLECTIVE	486,899	0	557,050	0	1,043,949	95,631
680-060-060	PUD #1 REA BOND SPEC.#13	0	0	0	19,618	19,618	0
680-061-060	PUD #1 REA BOND SPEC.#14	0	0	19,618	590,563	610,181	0
680-064-060	PUD 1 ELEC SYS REV NOTE 2013	14,000	0	1,982,500	6,651	2,003,151	1
680-070-130	PUD#1 LUD#1/HARSTENE RETRT WTR	0	0	840	0	840	7,320
680-101-010	PUD#1 UNION WATER SYSTEM GEN.	20,000	0	1,375	0	21,375	606
680-102-010	PUD#1 HYLAND PARK WATER SYS	3,000	0	840	0	3,840	878
680-103-010	PUD#1 HOODSPORT/SUNCRST WT SYS	36,000	0	1,050	0	37,050	409
680-104-010	PUD#1 HIGHLAND ESTATES WT SYS	6,000	0	0	0	6,000	747
680-106-010	PUD#1 BLOOMFIELD RD WT SYS	600	0	0	0	600	(1)
680-107-010	PUD#1 HOOD CANAL WATER SYSTEM	7,000	0	420	0	7,420	301,221
680-108-010	PUD#1 MT. VIEW WATER SYSTEM	3,000	0	0	0	3,000	1
680-109-010	PUD#1 MADRONA BEACH WATER SYS	1,000	0	0	0	1,000	0
680-110-010	PUD#1 LAKEWOOD HEIGHTS WTR SYS	3,000	0	630	0	3,630	601
680-110-125	PUD#1 FISCAL	0	0	0	126,128	126,128	0
680-111-010	PUD#1 HARSTENE RETREAT WTR SYS	2,000	0	0	0	2,000	0
680-112-010	PUD#1 CHERRY PARK WATER SYSTEM	1,500	0	630	0	2,130	541
680-113-010	PUD#1 MINERVA TERRACE WT. SYS	1,000	0	0	0	1,000	493
680-114-010	PUD#1 TIGER LAKE WATER SYSTEM	15,000	0	210	0	15,210	(37)
680-115-010	PUD#1 BAY EAST WATER SYSTEM	15,000	0	1,050	0	16,050	(162)
680-116-010	PUD#1 BAYSHORE WATER SYSTEM	14,000	0	630	0	14,630	590
680-117-010	PUD#1 SOUTHSIDE WATER SYSTEM	900	0	0	0	900	308
680-118-010	PUD#1 WATSON WATER SYSTEM	4,400	0	0	0	4,400	414
680-119-010	PUD#1 AGATE BEACH WATER SYSTEM	13,200	0	0	0	13,200	307
680-120-010	PUD#1 UNION RIDGE WATER SYSTEM	1,700	0	0	0	1,700	687
680-121-010	PUD#1 CRAIG WATER SYSTEM	800	0	0	0	800	85
680-122-010	PUD #1 MADRONA BEACH SEWER SYS	8,000	0	630	0	8,630	2,897
680-123-010	PUD#1 VIEW RIDGE HTS.WATER SYS	3,000	0	1,470	0	4,470	(622)
680-124-010	PUD#1 ALDERBROOK WATER SYSTEM	37,000	0	13,230	0	50,230	(6,065)
680-125-010	PUD#1 VUECREST WATER SYSTEM	10,700	0	0	0	10,700	315
680-126-010	PUD#1 LAKE ARROWHEAD WATER SYS	61,000	0	0	0	61,000	2

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
680-127-010	PUD#1 PIRATES COVE WATER SYS	14,200	0	0	0	14,200	432
680-128-010	PUD#1 CANYONWOOD BEACH WTR SYS	6,200	0	0	0	6,200	(1)
680-129-010	PUD #1 CANAL MUTUAL WATER SYS	13,400	0	0	0	13,400	1
680-130-010	PUD#1 TWANOH HEIGHTS WATER SYS	19,000	0	0	0	19,000	870
680-131-010	PUD#1 ARCADIA ESTATES WTR SYS	5,900	0	0	0	5,900	0
680-132-010	PUD#1 CANAL BEACH TR/GLEN AYR	7,900	0	0	0	7,900	0
680-133-010	PUD#1 VIEW CREST BEACH WTR SYS	11,000	0	0	0	11,000	389
680-134-010	TWANOH TERRACE WATER SYSTEM	3,400	0	0	0	3,400	1
680-135-010	PUD #1 ISLAND HIDE-AWAY WT SYS	1,200	0	0	0	1,200	294
680-136-010	CUSHMAN INC.	0	0	0	0	0	(1)
680-137-010	PUD #1 BPA LOAD SHAPING FUND	1,002,405	0	1,002,405	0	2,004,810	315
680-138-010	PUD #1 FACILITY BUILDING	60,000	0	0	0	60,000	152
680-139-010	HOLIDAY VIEW TWO	0	0	0	0	0	323
681-000-010	ENHANCED 911 - UTILITY TAX	0	0	0	1,628,531	1,628,531	480,982
682-000-010	REGIONAL LIBRARY	0	0	0	21,736	21,736	47,392
685-042-010	SCHOOL DIST.#42 GENERAL	453,362	0	20,531	2,213,306	2,687,199	101,727
685-042-030	SCH.DIST.#42 CAPITAL PROJECTS	25,706	0	0	4,517	30,223	18
685-042-060	SCH.DIST.#42 DEBT.SERVICE	250,614	0	276,650	301	527,565	1,266
685-042-080	SCH.DIST.#42 ASB	4,083	0	0	6,193	10,276	811
685-042-090	SCH.DIST.#42 TRANS.VEHICLE	8,176	0	0	0	8,176	13
685-042-125	SCHOOL DIST.#42 FISCAL AGENT	0	0	0	276,650	276,650	0
685-054-010	SCHOOL DIST.#54 GENERAL	375,000	0	619	2,079,265	2,454,884	214,885
685-054-030	SCH.DIST.#54 CAPITAL PROJECTS	12,503,000	0	0	23,782	12,526,782	1,249
685-054-060	SCH.DIST.#54 DEBT.SERVICE	2,000	0	0	0	2,000	287
685-054-080	SCH.DIST.#54 ASB FUND	3,000	0	0	5,698	8,698	2,581
685-054-090	SCH.DIST.#54 TRANS.VEHICLE	29,000	0	0	0	29,000	915
685-065-010	SCHOOL DISTRICT #65 GENERAL	0	0	0	0	0	258
685-065-060	SCH.DIST. #65 DEBT SERVICE	0	0	0	0	0	190
685-137-010	SCHOOL DIST.#137 GENERAL	0	0	0	386	386	4,356
685-309-010	SCHOOL DIST.#309 GENERAL	5,819,000	0	164,346	43,311,416	49,294,762	2,395,479
685-309-050	SCH.D.#309 TRUST & AGENCY FUND	493	0	0	1,500	1,993	40
685-309-060	SCH.DIST.#309 DEBT.SERVICE	2,724,681	0	2,886,793	1,205	5,612,679	4,486
685-309-080	SCH.DIST.#309 ASB	0	0	0	509,633	509,633	66,289
685-309-090	SCH.DIST.#309 TRANS.VEHICLE	152,645	0	0	123,102	275,747	10,342
685-309-125	SCHOOL DIST.#309 FISCAL AGENT	0	0	0	2,886,793	2,886,793	0
685-311-010	SCHOOL DIST.#311 GENERAL	260,668	0	0	2,967,680	3,228,348	307,001
685-311-030	SCH.DIST.#311 CAPITAL PROJECTS	45,818	0	0	68,678	114,496	3
685-311-080	SCHOOL DIST.#311 ASB	13,565	0	0	39,174	52,739	559
685-311-090	SCH.DIST.#311 TRANS.VEHICLE	31,193	0	0	0	31,193	8
685-402-010	SCHOOL DIST.#402 GENERAL	1,625,000	0	0	8,283,129	9,908,129	382,574
685-402-030	SCH.DIST.#402 CAPITAL PROJECTS	15	0	0	0	15	7

Cash Activity - OUT

Fund Number	Fund Title	Investments Purchased	Transfers Out to Claims/Payroll	Transfers Out	Disbursed	Used	Balance
685-402-060	SCH.DIST.#402 DEBT SERVICE	8,315	0	0	0	8,315	444
685-402-080	SCHOOL DIST. #402 ASB	8,000	0	0	40,587	48,587	3,127
685-402-090	SCH.DIST.#402 TRANS.VEHICLE	38,080	0	0	0	38,080	15
685-403-010	SCHOOL DIST. #403 GENERAL	3,110,001	0	89,786	19,973,400	23,173,187	1,605,918
685-403-030	SCH.DIST.#403 CAPITAL PROJECTS	49,955,682	0	863,211	1,058,548	51,877,441	137,323
685-403-060	SCH.DIST.#403 DEBT SERVICE	1,045,161	0	915,290	144,406	2,104,857	1,218
685-403-080	SCHOOL DIST. #403 ASB	127,738	0	0	357,232	484,970	14,549
685-403-090	SCH.DIST.#403 TRANS.VEHICLE	209,669	0	106,409	115,685	431,763	26
685-403-125	SCHOOL DIST. #403 FISCAL AGENT	0	0	0	915,290	915,290	0
685-404-010	SCHOOL DIST. #404 GENERAL	415,560	0	0	4,480,252	4,895,812	169,142
685-404-030	SCH.DIST.#404 CAPITAL PROJECTS	42,638	0	0	128,068	170,706	1,197
685-404-050	SCH.D.#404 TRUST & AGENCY FUND	955	0	0	510	1,465	6
685-404-060	SCH.DIST.#404 DEBT SERVICE	1,481,429	0	806,188	603	2,288,220	(702,812)
685-404-080	SCHOOL DIST. #404 ASB	1,421	0	0	18,547	19,968	244
685-404-090	SCH.DIST.#404 TRANS.VEHICLE	59,005	0	0	0	59,005	7
685-404-125	SCHOOL DIST. #404 FISCAL AGENT	0	0	0	806,188	806,188	0
690-001-010	BELFAIR WATER DIST.#1 M & O	0	0	6,000	899,442	905,442	29,971
690-001-020	BWD PWTF LOAN REPAYMENT	0	0	0	0	0	56,028
690-001-030	BELFAIR WATER DIST.#1 CONST.	0	0	11,000	0	11,000	58,280
690-001-040	BELFAIR WATER DIST. SYSTEM DEV	0	0	81,650	0	81,650	51,875
690-001-045	BWD CAPITAL IMPROVEMENT FACIL	0	0	11,228	17,538	28,766	17,463
690-001-080	BWD SATELLITE MANAGEMENT FUND	0	0	0	0	0	301
690-002-010	TRAILS END WATER DIST.#2 GEN.	0	0	0	51,261	51,261	4,245
690-002-020	TEW DIST#2 RESERVE MAINTENANCE	0	0	0	0	0	102
690-002-065	TEW DIST. #2 WATER REVENUE	0	0	0	14,384	14,384	7,347
690-002-130	TEW DIST.#2 ASSESSMENT REV.	0	0	0	0	0	48
690-003-010	MAGGIE LAKE WATER DIST.#3	0	0	5,431	50,967	56,398	9,227
690-003-020	MLWD #3 CAPITAL IMPRV RESERVE	7,468	0	0	0	7,468	231
690-003-060	MAGGIE LAKE REV.BOND	0	0	0	0	0	4,041
690-003-070	MAGGIE LAKE REV.BOND RESERVE	0	0	0	0	0	40
690-004-010	TAHUYA RIVER VALLEY WATER DIST	0	0	0	11,718	11,718	1,731
690-005-010	HARTSTENE POINTE WTR-SWR DIST	0	0	61,497	554,266	615,763	226,215
690-005-020	HARTSTENE PTE WTR/SWR RESERVE	9,248	0	0	0	9,248	34
690-005-030	HARTSTENE PTE WTR-SWR ECOLOGY	28,983	0	0	0	28,983	4
690-005-060	HARTSTENE PTE BOND FUND	0	0	0	39,330	39,330	0
690-005-065	HARTSTENE PTE CAPITAL PROJECT	0	0	0	0	0	73,531
690-005-070	HARTSTENE PTE WTR REV BOND '12	0	0	0	0	0	4,916
Total Fund Cash		120,833,378	59,662,873	61,517,247	275,427,061	517,440,559	34,895,030

Schedule of Operation of Investments

For the Year Ended December 31, 2013

Fund Number	Fund Description	Beginning Balance	Investments Acquired	Investments Liquidated	Ending Balance
103-000-000	RURAL CO SALES & USE TAX (.09)	368,660	477,045	714,901	130,804
104-000-000	AUDITOR'S O&M FUND	248,438	0	0	248,438
105-000-000	COUNTY ROAD	751,434	500,784	500,000	752,218
105-000-420	CO.RD.UNLIM.HIB'68 & RID#1 RES	55,000	0	0	55,000
105-000-421	CO.RD.RID# 2,3 RESERVE	2,000	0	0	2,000
106-000-000	PATHS & TRAILS RESERVE	165,000	0	0	165,000
109-000-000	ELECTION EQUIPMENT HOLDING	100,000	0	0	100,000
118-000-000	ABATEMENT/REPAIR & DEMOLITION	262,418	1,540	72	263,886
119-000-000	RESERVE FOR TECHNOLOGY	161,857	84,915	124,242	122,530
120-000-000	REET & PROPERTY TAX ADMIN ASST	55,479	65	1,389	54,155
127-000-000	CUM RES/INSURANCE DEDUCTIBLE	53,081	66,970	113,482	6,569
130-000-000	RESERVE LEGAL #2	57,862	91,102	124,488	24,476
131-000-000	RESERVE FOR ACCRUED LEAVE	61,538	27,167	81,759	6,946
140-000-000	SHERIFF SPECIAL FUNDS	72,000	0	0	72,000
163-000-000	LODGING (MOTEL/HOTEL) TAX	125,000	0	0	125,000
164-000-000	MENTAL HEALTH	273,671	518,073	122,351	669,393
180-000-000	TREASURER'S M&O	58,880	78,469	72,349	65,000
190-000-000	VETERANS ASSISTANCE FUND	106,075	70,217	71,581	104,711
192-000-000	SKOKOMISH FLOOD ZONE	300,000	0	0	300,000
194-000-000	MASON LAKE AQUATIC WEEDS MGMT	53,768	34,158	39,849	48,077
199-001-000	ISLAND LAKE MGMT.DIST.#1	491	3,572	2,207	1,856
250-000-000	M.CO. LIMITED TAX GO BOND 2008	215,347	400	215,313	434
350-000-000	CAPITAL IMPROVEMENTS- REET 1	243,419	747,789	732,642	258,566
351-000-000	CAPITAL IMPROVEMENTS- REET 2	1,117,400	1,014,313	1,330,227	801,486
402-000-000	MASON COUNTY LANDFILL	456	105,001	0	105,457
403-000-000	WASTEWATER NO.BAY/CASE INLET	50,077	355,179	0	405,256
404-000-000	NBCI SEWER UTILITY RESERVE	200,501	88	200,000	589
411-000-000	RUSTLEWOOD SEWER & WATER	1,572	30,024	0	31,596
412-000-000	BEARDS COVE WATER	94,101	50,133	0	144,234
413-000-000	BELFAIR WW & WTR RECLAMATION	0	2,051,165	1,850,000	201,165
428-000-000	CUM RESERVE LANDFILL	426,929	60,605	0	487,534
429-000-000	RESERVE BEARDS COVE	270,314	9,776	0	280,090
429-000-020	ULID BEARDS COVE RESERVE	1,428	2	0	1,430
501-000-000	EQUIPMENT RENTAL & REVOLVING	4,932,752	0	2,500,000	2,432,752
501-000-548	RES.FOR REPLAC.OF COUNTY SHOPS	200,000	0	0	200,000
662-001-010	CEMETERY DIST #1	50,000	0	6,500	43,500
665-001-010	FIRE DIST. #1 EXPENSE	386,702	0	131,257	255,445
665-001-020	FIRE DIST.#1 RESERVE	137,267	0	0	137,267
665-001-040	FIRE DIST. #1 EMERG.MED.SER.	79,012	0	12,635	66,377
665-001-060	FIRE DIST.#1 BOND	2,207	0	0	2,207
665-002-010	FIRE DIST #2 EXPENSE	1,509,718	1,933,293	2,208,000	1,235,011
665-003-010	FIRE DIST.#3 EXPENSE	20,526	0	0	20,526
665-003-020	FIRE DIST.#3 RESERVE	17,223	0	0	17,223

Schedule of Operation of Investments

For the Year Ended December 31, 2013

Fund Number	Fund Description	Beginning Balance	Investments Acquired	Investments Liquidated	Ending Balance
665-003-040	FIRE DIST.#3 EMERGENCY MED.	13,788	0	0	13,788
665-004-020	FIRE DIST.#4 RESERVE	224,620	17,498	87,000	155,118
665-005-020	FIRE DIST.#5 RESERVE	100	0	0	100
665-006-020	FIRE DIST.#6 RESERVE	54,302	0	0	54,302
665-008-010	FIRE DIST.#8 EXPENSE	173,580	193,629	210,400	156,809
665-008-020	FIRE DIST.#8 RESERVE	51,810	0	0	51,810
665-008-040	FIRE DIST. #8 EMERGENCY MED.	112,225	0	26,091	86,134
665-008-060	FIRE DIST.#8 BOND	4,813	0	4,812	1
665-009-010	FIRE DIST #9 EXPENSE	216,949	0	50,000	166,949
665-009-020	FIRE DIST.#9 RESERVE	2,676	0	0	2,676
665-011-010	FIRE DIST.#11 EXPENSE	140,952	0	0	140,952
665-011-040	FIRE DIST.#11 EMERG.MED.SER.	148,231	0	0	148,231
665-012-010	FIRE DIST.#12 EXPENSE	3,000	0	0	3,000
665-012-020	FIRE DIST.#12 RESERVE	18,727	0	0	18,727
665-012-040	FIRE DIST.#12 EMERG.MED.SER.	10,265	0	500	9,765
665-012-060	FIRE DIST.#12 BOND	3,302	0	0	3,302
665-013-020	FIRE DIST.#13 RESERVE	2,131	0	0	2,131
665-016-010	FIRE DIST.#16 EXPENSE	812	0	0	812
665-016-020	FIRE DIST. #16 RESERVE	177,818	10,000	0	187,818
665-016-040	FIRE DIST.#16 EMERG.MED.SER.	21,700	0	0	21,700
665-017-010	FIRE DIST.#17 EXPENSE	142,979	0	0	142,979
665-017-040	FIRE DIST.#17 EMERG.MED.SER.	56,665	0	0	56,665
665-018-010	FIRE DIST.#18 EXPENSE	48,511	0	0	48,511
665-018-020	FIRE DIST.#18 RESERVE	649	0	0	649
665-018-040	FIRE DIST.#18 EMERG.MED.SER.	79,361	0	10,591	68,770
665-018-060	FIRE DIST. #18 BOND	3,000	0	3,000	0
668-010-010	M.C. PUBLIC TRANSP BENEFIT	7,669,106	1,000,000	1,000,000	7,669,106
670-000-010	PORT OF ALLYN	85,627	65,000	119,812	30,815
670-005-010	PORT OF ALLYN INDUSTRIAL DEV	120,411	26,962	3,000	144,373
670-006-010	PORT OF ALLYN WATER SYSTEM	8,000	0	5,700	2,300
670-010-010	PORT OF DEWATTO	145,000	0	0	145,000
670-020-010	PORT OF GRAPEVIEW	2,646	5,000	5,000	2,646
670-020-030	PORT OF GRAPEVIEW CAPL. CONST	51,470	5,000	0	56,470
670-030-010	PORT OF HOODSPORT	389,952	0	163,000	226,952
675-001-010	MASON GENERAL HOSPITAL	214,747	7,261,315	7,333,432	142,630
675-001-015	PHD#1 ADMINISTRATIVE FUND	22,776,133	9,067,998	9,837,617	22,006,514
675-001-020	PUB.HOSP.#1 EMPLOYEES MED.BEN	58,725	86	0	58,811
675-001-035	MGH FUNDED DEPRECIATION	8,131,199	10,622,893	6,498,998	12,255,094
675-001-040	PUB.HOSP.DIST.#1 MEMORIAL	38,557	57	0	38,614
675-001-060	PHD UNL GO BONDS 2005	115,827	398	0	116,225
675-001-068	HOSPITAL RENOVATION	5,617,722	6,453	3,869,936	1,754,239
675-001-070	PHD LIM TAX GO REFUNDING '04	21	0	0	21
675-001-080	PHD #1 PROJECT FUND 2010	2,671,621	2,163	2,673,784	0

Schedule of Operation of Investments

For the Year Ended December 31, 2013

Fund Number	Fund Description	Beginning Balance	Investments Acquired	Investments Liquidated	Ending Balance
680-001-010	P.U.D.#1 GENERAL	816,427	1,242,405	695,000	1,363,832
680-011-010	PUD#1 EMERGENCY FUND	59,829	0	0	59,829
680-020-010	PUD #1 TRUCK REPLACEMENT FUND	372,738	132,000	93,254	411,484
680-021-010	PUD#1 COMPUTER REPLACEMENT FD	163,294	0	0	163,294
680-025-010	PUD#1 MATERIAL PURCHASES	432,061	72,000	0	504,061
680-027-010	PUD#1 AUTOMATED METER READING	42,644	0	0	42,644
680-031-060	PUD#1 '93 ELEC.REV.&REFNDG.BD	1,400	0	0	1,400
680-031-130	PUD#1 '93 ELEC.REV.BD. RESERVE	27,762	0	0	27,762
680-040-060	PUD#1 WATER SYS. REV. BOND '02	120,607	0	0	120,607
680-040-130	PUD#1 WTR.SYS.REV.BD RESV.'02	125,703	0	0	125,703
680-050-060	PUD#1 REA BONDS-COLLECTIVE	294,936	486,899	615,900	165,935
680-064-060	PUD 1 ELEC SYS REV NOTE 2013	0	14,000	6,651	7,349
680-070-130	PUD#1 LUD#1/HARSTENE RETRT WTR	41,112	0	1,990	39,122
680-101-010	PUD#1 UNION WATER SYSTEM GEN.	30,386	20,000	50,386	0
680-102-010	PUD#1 HYLAND PARK WATER SYS	19,985	3,000	22,985	0
680-103-010	PUD#1 HOODSPORT/SUNCRST WT SYS	21,000	36,000	57,000	0
680-104-010	PUD#1 HIGHLAND ESTATES WT SYS	8,700	6,000	14,700	0
680-106-010	PUD#1 BLOOMFIELD RD WT SYS	2,076	600	2,676	0
680-107-010	PUD#1 HOOD CANAL WATER SYSTEM	28,980	7,000	35,980	0
680-108-010	PUD#1 MT. VIEW WATER SYSTEM	0	3,000	3,000	0
680-109-010	PUD#1 MADRONA BEACH WATER SYS	2,000	1,000	3,000	0
680-110-010	PUD#1 LAKEWOOD HEIGHTS WTR SYS	11,700	3,000	14,700	0
680-111-010	PUD#1 HARSTENE RETREAT WTR SYS	1,100	2,000	3,100	0
680-112-010	PUD#1 CHERRY PARK WATER SYSTEM	4,466	1,500	5,966	0
680-113-010	PUD#1 MINERVA TERRACE WT. SYS	1,900	1,000	2,900	0
680-114-010	PUD#1 TIGER LAKE WATER SYSTEM	5,500	15,000	20,500	0
680-115-010	PUD#1 BAY EAST WATER SYSTEM	2,353	15,000	17,353	0
680-116-010	PUD#1 BAYSHORE WATER SYSTEM	6,400	14,000	20,400	0
680-117-010	PUD#1 SOUTHSIDE WATER SYSTEM	2,100	900	3,000	0
680-118-010	PUD#1 WATSON WATER SYSTEM	3,580	4,400	7,980	0
680-119-010	PUD#1 AGATE BEACH WATER SYSTEM	0	13,200	13,200	0
680-120-010	PUD#1 UNION RIDGE WATER SYSTEM	7,500	1,700	9,200	0
680-122-010	PUD #1 MADRONA BEACH SEWER SYS	17,900	8,000	2,100	23,800
680-123-010	PUD#1 VIEW RIDGE HTS.WATER SYS	17,111	3,000	20,111	0
680-124-010	PUD#1 ALDERBROOK WATER SYSTEM	22,900	37,000	59,900	0
680-125-010	PUD#1 VUECREST WATER SYSTEM	3,000	10,700	13,700	0
680-126-010	PUD#1 LAKE ARROWHEAD WATER SYS	16,900	61,000	77,900	0
680-127-010	PUD#1 PIRATES COVE WATER SYS	0	14,200	14,200	0
680-128-010	PUD#1 CANYONWOOD BEACH WTR SYS	0	6,200	6,200	0
680-129-010	PUD #1 CANAL MUTUAL WATER SYS	0	13,400	13,400	0
680-130-010	PUD#1 TWANOH HEIGHTS WATER SYS	14,600	19,000	33,600	0
680-131-010	PUD#1 ARCADIA ESTATES WTR SYS	0	5,900	5,900	0
680-132-010	PUD#1 CANAL BEACH TR/GLEN AYR	0	7,900	7,900	0

Schedule of Operation of Investments

For the Year Ended December 31, 2013

Fund Number	Fund Description	Beginning Balance	Investments Acquired	Investments Liquidated	Ending Balance
680-133-010	PUD#1 VIEW CREST BEACH WTR SYS	1,700	11,000	12,700	0
680-134-010	TWANOH TERRACE WATER SYSTEM	0	3,400	3,400	0
680-135-010	PUD #1 ISLAND HIDE-AWAY WT SYS	0	1,200	1,200	0
680-137-010	PUD #1 BPA LOAD SHAPING FUND	1,000,000	1,002,405	2,002,405	0
680-138-010	PUD #1 FACILITY BUILDING	60,000	60,000	0	120,000
685-042-010	SCHOOL DIST.#42 GENERAL	140,069	453,362	329,831	263,600
685-042-030	SCH.DIST.#42 CAPITAL PROJECTS	34,639	25,706	4,500	55,845
685-042-060	SCH.DIST.#42 DEBT.SERVICE	34,135	250,614	206,952	77,797
685-042-080	SCH.DIST.#42 ASB	2,027	4,083	4,620	1,490
685-042-090	SCH.DIST.#42 TRANS.VEHICLE	27,807	8,176	0	35,983
685-054-010	SCHOOL DIST.#54 GENERAL	299,008	375,000	414,200	259,808
685-054-030	SCH.DIST.#54 CAPITAL PROJECTS	54,103	12,503,000	8,900	12,548,203
685-054-060	SCH.DIST.#54 DEBT.SERVICE	0	2,000	0	2,000
685-054-080	SCH.DIST.#54 ASB FUND	6,280	3,000	1,500	7,780
685-054-090	SCH.DIST.#54 TRANS.VEHICLE	58,554	29,000	0	87,554
685-309-010	SCHOOL DIST.#309 GENERAL	190,595	5,819,000	5,008,956	1,000,639
685-309-030	SCH.DIST.#309 CAPITAL PROJECTS	14	0	0	14
685-309-050	SCH.D.#309 TRUST & AGENCY FUND	215,111	493	1,477	214,127
685-309-060	SCH.DIST.#309 DEBT.SERVICE	677,493	2,724,681	2,894,880	507,294
685-309-080	SCH.DIST.#309 ASB	263,648	0	0	263,648
685-309-090	SCH.DIST.#309 TRANS.VEHICLE	21,437	152,645	133,412	40,670
685-311-010	SCHOOL DIST.#311 GENERAL	719,022	260,668	608,409	371,281
685-311-030	SCH.DIST.#311 CAPITAL PROJECTS	109,012	45,818	114,408	40,422
685-311-080	SCHOOL DIST.#311 ASB	30,485	13,565	9,222	34,828
685-311-090	SCH.DIST.#311 TRANS.VEHICLE	47,598	31,193	1,556	77,235
685-402-010	SCHOOL DIST.#402 GENERAL	1,366,416	1,625,000	1,158,000	1,833,416
685-402-030	SCH.DIST.#402 CAPITAL PROJECTS	12,941	15	0	12,956
685-402-060	SCH.DIST.#402 DEBT SERVICE	68,754	8,315	0	77,069
685-402-080	SCHOOL DIST. #402 ASB	22,583	8,000	5,000	25,583
685-402-090	SCH.DIST.#402 TRANS.VEHICLE	9,040	38,080	0	47,120
685-403-010	SCHOOL DIST. #403 GENERAL	1,362,239	3,110,001	3,281,249	1,190,991
685-403-030	SCH.DIST.#403 CAPITAL PROJECTS	1,007,061	49,955,682	1,737,126	49,225,617
685-403-060	SCH.DIST.#403 DEBT SERVICE	66,877	1,045,161	400	1,111,638
685-403-080	SCHOOL DIST. #403 ASB	238,834	127,738	122,890	243,682
685-403-090	SCH.DIST.#403 TRANS.VEHICLE	295,008	209,669	222,064	282,613
685-404-010	SCHOOL DIST. #404 GENERAL	725,529	415,560	646,514	494,575
685-404-030	SCH.DIST.#404 CAPITAL PROJECTS	72,636	42,638	115,271	3
685-404-050	SCH.D.#404 TRUST & AGENCY FUND	61,026	955	906	61,075
685-404-060	SCH.DIST.#404 DEBT SERVICE	353,530	1,481,429	718,094	1,116,865
685-404-080	SCHOOL DIST. #404 ASB	27,487	1,421	8,423	20,485
685-404-090	SCH.DIST.#404 TRANS.VEHICLE	14,490	59,005	0	73,495
690-001-010	BELFAIR WATER DIST.#1 M & O	712	0	0	712
690-001-045	BWD CAPITAL IMPROVEMENT FACIL	1,049	0	0	1,049

Schedule of Operation of Investments

For the Year Ended December 31, 2013

Fund Number	Fund Description	Beginning Balance	Investments Acquired	Investments Liquidated	Ending Balance
690-002-010	TRAILS END WATER DIST.#2 GEN.	65,479	0	16,790	48,689
690-002-020	TEW DIST#2 RESERVE MAINTENANCE	47,783	0	0	47,783
690-002-065	TEW DIST. #2 WATER REVENUE	158,788	0	0	158,788
690-002-130	TEW DIST.#2 ASSESSMENT REV.	22,618	0	0	22,618
690-003-020	MLWD #3 CAPITAL IMPRV RESERVE	24,158	7,468	0	31,626
690-005-010	HARTSTENE POINTE WTR-SWR DIST	100,000	0	0	100,000
690-005-020	HARTSTENE PTE WTR/SWR RESERVE	172,483	9,248	0	181,731
690-005-030	HARTSTENE PTE WTR-SWR ECOLOGY	0	28,983	0	28,983
		76,140,241	120,832,578	64,828,904	132,143,915

MASON COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

1	2	3	4	5	6
Federal Agency Name / Pass-through Agency Name	Federal Program Name	CFDA Number	Other ID Number	Current Year Expenditures	Footnote Ref
US Dept of Agriculture-Forest Service Washington State Treasurer	Schools and Roads, Grants to States - Title III	10.665	USC Title 16, Sec 500 PL106-393	196,824.27	Note 2
		10.665		34,444.25	2
		subtotal for 10.665		231,268.52	
US Dept of Agriculture-Forest Service	Forest Health Protection Title II Noxious Weeds	10.680	10-PA-11060900-018	29,250.29	Note 2
US Dept of Agriculture-Forest Service	Wildlife Habitat Incentive Prg	10.914	72054680XH	90,324.00	Note 2
US Dept of Interior-Bur. Land Manage	Payments in Lieu of Taxes	15.226	Title 31 Section 6902	195,957.00	Note 2
US Dept Interior-Nat'l Parks Service/ WA ST Dept of Archaeology	Historic Preservation Grant	15.904	FY13-61013-011	9,395.60	Note 2
US Dept Interior-Nat'l Parks Service/ WA ST Recreation & Conservation	Land and Water Conservation	15.916	10-0161A	21,408.54	Note 2
US Dept of Justice/WA ST Patrol	Marijuana Eradication	16.000	C120820FED	18,525.00	Note 2
US Dept of Justice-Juv Delinquency/ WA ST Dept Social & Health Services	Juvenile Accountability Incentive Block Grant	16.523	1363-84191	7,352.74	Note 2
US Dept of Justice/ WA State Dept of Commerce	Violence Against Women Formula Grants	16.588	2012-WX-AX-0047	7,243.03	Notes 2
US Dept of Transportation-FHWA/ WA State Dept of Transportation	Highway Planning and Construction:				Notes
	2013 County Overlays	20.205	STPR-9923(001)	1,783,343.13	2
	Evers Bridge Rehab	20.205	BHS-A230(009)	4,217.09	2
	2010 Safety Prog #1951-1958	20.205	HSIP-000S(285)	171,593.49	2
	Hunter Creek Bridge #1829	20.205	BROS23AQ002	10,740.22	2
		subtotal for 20.205		1,969,893.93	
US Dept of Transportation-NHTSA/ City of Shelton	State and Community Highway Safety	20.600	MOU City of Shelton	398.04	Note 2
US Dept of Transportation-NHTSA/ City of Shelton	Alcohol Impaired Driving Countermeasures Incentive	20.601	MOU City of Shelton	500.74	Note 2
Environmental Protection Agency WA Dept of Fish & Wildlife WA ST Dept of Health	Community Dev WDFW Enforcement				Notes
	WDFW Enforcement 10-1744	66.123	10-1744	75,425.33	2
	Onsite Sewage Mgmnt NEP	66.123	ConCon C16983	190,723.31	2
	EPA NEP PIC Program	66.123	ConCon C16983	93,923.00	2
	Hood Canal NDPIC	66.123	award letter	3,175.22	2
		subtotal for 66.123		363,246.86	
Environmental Protection Agency/ WA ST Dept of Ecology-Water Pollut	ARRA ARRA ARRA				Notes
	ARRA ARRA				2 & 9
	ARRA	66.458	L10S0026	15,524.20	4 & 9
	ARRA	66.458	L1000026	64,205.45	2
	ARRA	66.458	L12S0025	54,362.52	
		subtotal for 66.458		134,092.17	
Environmental Protection Agency/ WA ST Dept of Health	Clean Water Act - Nonpoint Source Implementation:				

MASON COUNTY, WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2013

1	2	3	4	5	6
Federal Agency Name / Pass-through Agency Name	Federal Program Name	CFDA Number	Other ID Number	Current Year Expenditures	Footnote Ref
	Hood Canal Recovery	66.460	G1000278	26,982.95	Note 2
US DHHS-Office of Secretary/ National Assoc County/City Officials	Medical Reserve Corps Small Grant Program:NACCHO MRC	93.008	MRC 10 1680	4,000.00	Note 2
US DHHS-Centers Disease Control/ WA ST Dept of Health	Public Health Emergency PHERPR LHJ	93.069	ConCon C16983	60,846.00	Note 2
US DHHS-Centers Disease Control/ WA ST Dept of Health	Tuberculosis Prevent/Control TB Elimination	93.116	ConCon C16983	699.00	Note 2
US DHHS-Centers Disease Control/ WA ST Dept of Health	Immunization Grants:	93.268	ConCon C16983	14,831.00	Note 2
US DHHS-Centers Disease Control/ Grays Harbor Public Health	Investigaton/Tech Asst: Community Transformation	93.283	award letter	7,907.55	Note 2
US DHHS-Health Resources Admin WA ST Early Learning Fund	ACA Home Visiting Program Thrive By Five	93.505	2011-032408	112,086.95	Note 2
US DHHS-Admin Children/Families WA ST DOH	Promoting Safe and Stable Families	93.556	EIP 1253-52716	22,520.91	Note 2
US DHHS-Admin Children/Families WA ST Dept Social & Health Services	Temporary Assist for Needy Families:Workfirst CSHCN	93.558	0963-65371-04	1,300.00	Note 2
US DHHS-Admin Children/Families WA ST Dept Social & Health Services	Family Support Divison Child Support Enforcement	93.563	Yearly Award	229,543.86	Note 2
US DHHS/Medicare-Medicaid Serv WA ST Dept Social & Health Services	Medical Assistance Program Medicaid Admin Title XIX	93.778	0563-75735	54,890.47	Note 2
WA ST Health Care Authority	ABCD Local Activities Title XIX	93.778	1163-33959	24,800.00	Note 2
			subtotal for 93.778	79,690.47	
US DHHS-Office of Secretary/ WA ST Dept Social & Health Services	Nat'l Bioterrorism Hospital Preparedness Program	93.889	ConCon C16983	365.74	Note 2
US DHHS-Health Resources & Serv/ WA ST Dept of Health	HIV Care Formula Grants RW Base Contracts	93.917	ConCon C16983	62,755.00	Note 2
US DHHS-Mental Health Services Admin/ WA ST Dept Social & Health Services	Block Grants for Comm. Mental Health - 4-H Yes Prg	93.958	1163-40960	21,000.00	Note 2
US DHHS-Health Resources & Serv/ WA ST Dept of Health	Maternal & Child Health Services Block Grants	93.994	ConCon C16983	64,686.00	Note 2
US DHHS-Substance Abuse Grant/ Thurston County	Block Grants for Prevention T&M Co. Chemical Dep Prevent	93.959	2013 contract with Thurston County	4,512.68	Note 2
US Dept of Homeland Security/ WA ST Parks & Recreation Comm	Boating Safety Financial Assistance	97.012	LE911-224	28,040.79	Note 2
US Dept of Homeland Security/ WA ST Military Dept	Disaster Grants-Public Asst Presidentially Declared 2007 Storm/Flood 1734-DR	97.036	E08-726	395,854.52	Note 2
US Dept of Homeland Security/ WA ST Military Dept	Emergency Management Performance Grants: 2012	97.042	E12-331	50,901.00	Note 2
US Dept of Homeland Security/ WA ST Military Dept	Homeland Security Grant Prog 2012	97.067 97.067	E12-249 E13-227	23,103.21 16,736.72	Note 2
			subtotal for 97.067	39,839.93	

subtotal of Indirect Federal Awards from Pass Through Agencies: 4,212,896.81

MASON COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

1	2	3	4	5	6
Federal Agency Name / Pass-through Agency Name	Federal Program Name	CFDA Number	Other ID Number	Current Year Expenditures	Footnote Ref

subtotal of Direct Federal Awards from Federal Agencies: 94,324.00

Total Federal Awards Expended in 2013: \$4,307,220.81

Notes to the Schedule of Expenditures of Federal Awards (and State and Local Financial Assistance)

Note 1 - Basis of Accounting

The Schedule of Expenditures of Federal Awards and State and Local Financial Assistance is prepared on the same basis as Mason County's financial statements. Mason County uses the modified accrual basis of accounting for financial statement presentation.

Note 2 - Program Costs

The amounts shown as current year expenditures represent only the federal, state or local portion of the programs costs. Entire program costs, including Mason County's portion, are more than shown.

Note 4 - Federal Loans

Mason County has been approved by the Washington State Department of Ecology to receive loans for building a sewer treatment plant. The amount listed for each loan includes the proceeds received during the year. Both the current and prior year loans are reported on Mason County's Schedule of Long-Term Liabilities.

Note 9 - ARRA

The amounts shown for these expenditures were funded by the American Recovery and Reinvestment Act (ARRA) of 2009.

MASON COUNTY, WASHINGTON
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2013

1		2	3
Grantor/Program Title	BARS #	Identification Number	Current Year Expenditures
<u>Legislative and Its Committees</u>			
One Half of Prosecutor's Salary		RCW 36.17.020	74,912.16
<u>Total Legislative and Its Committees - 334.00.1X:</u>			<u>\$74,912.16</u>
<u>Department of Revenue:</u>			
Annual Revaluation		21612	121,589.44
<u>Total Department of Revenue - 334.00.9X:</u>			<u>121,589.44</u>
<u>Other Judicial Agencies:</u>			
Administrator of the Courts:Guardian Ad Litem / CASA		IAA 14131	65,017.19
Administrator of the Courts:BECCA		IAA 14051	80,300.87
WASPC:Registered Sex Offender Address/Verification		RSO 10-11 Mason	47,197.94
<u>Total Other Judicial Agencies - 334.01.2X:</u>			<u>\$192,516.00</u>
<u>Military Department:</u>			
Disaster Grants - State's portion 2007 Disaster #1734		E08-726	65,975.76
<u>Total Military Department - 334.01.8X:</u>			<u>\$65,975.76</u>
<u>Department of Agriculture:</u>			
Eradication of Class A Noxious Weed-Knotweed		K-1226	3,000.00
<u>Total Department of Agriculture - 334.02.1X:</u>			<u>\$3,000.00</u>
<u>Department of Fish and Wildlife:</u>			
Knocking Out Knotweed		11-1250	600.10
<u>Total Dept of Fish and Wildlife - 334.02.5X:</u>			<u>\$600.10</u>
<u>Recreation and Conservation Funding Board:</u>			
RCO Outdoor Recreation Account-Coulter Creek Park Acq		10-1601A	12,146.20
RCO Recreation Resource Account-Union Boat Launch		11-1054P	17,409.51
<u>Total Recreation & Conservation Board-334.02.7X:</u>			<u>\$29,555.71</u>
<u>Department of Ecology:</u>			
Coordinated Prevention SW		G1200321	70,312.30
Coordinated Prevention Recycling		G1200379	64,072.26
Coordinated Prevention HHW		G1200379	23,613.20
Comprehensive Shoreline Master Plan		G1100004	61,451.66
Sunset Bluff Capital Imp Project		C1100120	13,404.39
Community Litter Clean Up Program		C1400186	14,205.37
Centennial Clean Water Program		G1000346	786,130.96
<u>Total Department of Ecology - 334.03.1X:</u>			<u>\$1,033,190.14</u>
<u>County Road Administration Board:</u>			
Rural Arterial Program - CRP #1564		2307-01	20,671.34
Rural Arterial Program - CRP #1916		2305-01	19,582.02
Rural Arterial Program - County Arterial Preservation		RCW 46.68.090	395,685.50

MASON COUNTY, WASHINGTON
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 For the Year Ended December 31, 2013

1		2	3
Grantor/Program Title	BARS #	Identification Number	Current Year Expenditures
<u>Total County Road Admin Board - 334.03.7X:</u>			<u>\$435,938.86</u>
<u>Department of Commerce:</u>			
Local Governments Division-Belfair WW System Design		S07-76104-142	113,869.82
Local Governments Division-Belfair Sewer Const #3		S10-97101-002	501,343.96
<u>Total Department of Commerce - 334.04.2X:</u>			<u>\$615,213.78</u>
<u>Department of Social and Health Services:</u>			
Juvenile Rehabilitation Admin - CJS At Risk		1363-79650	54,775.37
Juvenile Rehabilitation Admin - SSODA		1363-79650	27,228.11
Juvenile Rehabilitation Admin - CJAA		1363-79650	28,714.86
Juvenile Rehabilitation Admin - Evidence Based FFT		1363-78924	23,055.53
Division of Child Support - Superior Court		0763-14959	3,932.00
Division of Child Support - Clerk		2110-80329	6,132.00
Division of Child Support - Prosecutor & Child Support Enforce		2110-80329	79,888.14
Office of Juvenile Justice - JDAI		1-501-00812	13,019.20
EFFS Program		1063-93589-01	11,363.16
<u>Total Dept of Social & Health Services-334.04.6X:</u>			<u>\$248,108.37</u>
<u>Department of Health:</u>			
Consolidated Contract - Local Capacity Development		ConCon C16893	33,849.00
Consolidated Contract - Tobacco Youth Access		ConCon C16893	3,149.34
Consolidated Contract - EHP Shellfish		ConCon C16893	571.00
Consolidated Contract - On Site Management Plan		ConCon C16893	46,573.99
Consolidated Contract - Blue Ribbon Commission Funds		ConCon C16893	63,762.00
<u>Total Department of Health - 334.04.9X:</u>			<u>\$147,905.33</u>
<u>Other Agencies:</u>			
Thrive By Five Washington		award letter	110,930.60
<u>Total Washington Early Learning Fund - 334.06.9X:</u>			<u>\$110,930.60</u>
County Courthouse Exterior Rehabilitation		FY08-90002-004	150,000.00
<u>Total Dept of Archaeology/Preservation - 334.06.9X:</u>			<u>\$150,000.00</u>
<u>Interlocal Agreements/Local Assistance:</u>			
In Lieu of Taxes - City of Tacoma		ongoing MOU City of Tacoma	182,170.34
In Lieu of Taxes - Green Diamond		ongoing MOU with Green Diamond	40,500.00
<u>Total Interlocal Agree/Local Assist-337.07/337.08:</u>			<u>\$222,670.34</u>
<u>Department of Ecology - Loans:</u>			
Water Pollution Control State Revolving Funds		L1200025	56,509.53
<u>Total Department of Ecology - Loan 382.80.01:</u>			<u>\$56,509.53</u>
		subtotal for Interlocal/Local Assistance:	222,670.34
		subtotal for State Loans:	56,509.53
		subtotal for State Assistance:	3,229,436.25

MASON COUNTY, WASHINGTON
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2013

1		2	3
Grantor/Program Title	BARS #	Identification Number	Current Year Expenditures
Total State Assistance Expended in 2013:			<u><u>\$3,508,616.12</u></u>

Schedule 17

Public Works Budget and Limitation on Projects Performed by Public Employees

For the Year Ended December 31, 2013

Part 1

Project Description and Identification Number	Total Budget for the Project	Current Year Portion - Actual Amount	Current Year Portion Performed by Own Employees - Actual Amount
Annual Program Item No. 1	425,000		
<u>AC Paving</u>			
Shelton Springs Road Mp 0.00 to 0.88		98,977	1,147
McReavy Road Mp 1.03 to 2.56		299,465	1,386
Highland Road Mp 1.99 to 4.65		595,628	1,429
Shelton Matlock Rd Mp 11.45 to 13.45		494,637	805
Old Belfair Highway Mp 2.25 to 3.89		262,418	1,014
Trails Road Mp 1.44 to 3.34		341,961	1,061
<i>Note: the scope of these projects changed after budget adoption, when additional STP funds were made available.</i>			
Annual Program Item No. 2	-		
<u>BST on Gravel</u>			
No Construction BST done in 2013	-	-	-
Annual Program Item No. 3	20,000		
County Wide - Signs	10,000	-	8,777
County Wide - Guardrail Installation	10,000	-	-
County Wide - Wetland Mitigation	-	3,856	639
Annual Program Item No. 3 A	995,000		
<u>County Wide - Minor Construction:</u>			
Remove / Install Bridge Guardrails		128,104	-
Improve Sight Distance: Rd #15500 & 91100		30,529	-
Improve Sight Distance: Rd #02070 & 90100		53,194	-
Improve Sight Distance: Rd #28850 & 30000		2,111	-
Contract Administration #5		32,099	-
Annual Program Item No. 5	580,000		
<u>Bridge & Large Culvert Construction:</u>			
#1856 Tahuya River Rd Culvert Mp 1.23	50,000	51,029	155,473
#1975 Evers Bridge Rehabilitation		6,071	-
Annual Program Item No. 6	400,000		
<u>Road & Bridge New Construction</u>			
Lower Elfendahl Pass Road - new bridge	400,000	546,964	-
Grapeview Loop Road		214,653	48,505
Annual Program Item No. 9	100,000		
<u>Roads & Bridges - New Construction:</u>			
CRP# 1861 Simmons Road Connector	100,000	26,527	-

Schedule 17

Public Works Budget and Limitation on Projects Performed by Public Employees

For the Year Ended December 31, 2013

Part 1, cont.

Project Description and Identification Number	Total Budget for the Project	Current Year Portion - Actual Amount	Current Year Portion Performed by Own Employees - Actual Amount
Annual Program Item No. 10	4,687,000		
<u>Roads & Bridges - PE and ROW Only</u>			
CRP# 1487 Pickering Road Reconstruct 3R	50,000	7,439	-
CRP# 1916 Cloqualluam Rd Mp 5.85 - 6.85	600,000	34,104	-
CRP# 1970 Shelton Matlock Brady	210,000	-	-
CRP# 1564 North Island Drive	1,700,000	36,589	-
CRP# 1829 Hunter Bridge Relacement	2,122,000	18,488	1,570
CRP# 1827 Highland Road	5,000		-
Report Totals	7,207,000	3,284,844	221,806

Reconciliation to CRAB Annual Construction Report

Day Labor this report	221,806
Day Labor Annual Construction Report	<u>221,806</u>
Difference	<u><u>0</u></u>
Total Construction on this report	3,284,844
Total Construction on Annual Construction report	<u>3,284,844</u>
Difference	<u><u>0</u></u>

Schedule 17

Public Works Budget and Limitation on Projects Performed by Public Employees

For the Year Ended December 31, 2013

Part 2

1) Total current public work construcion budget as amended (annual or biennial as applicable)	7,207,000
2) Allowable portion of total public works (10 percent of line 1)	720,700
3) Less: Amount (if any) in excess of permitted amount from prior budget period	0
4) Total allowable public works (line 2 minus line 3)	720,700
5) Total public works projects performed by public employees during the current year (include work performed by a county.	221,806
6) If this is the second year of a biennial budget, total public works projects performed by public employees during the first year of the biennium	N/A
(line 4 minus line 5 minus line 6)	498,894

Schedule 19

Schedule of Labor Relations Consultant(s)*For the Year Ended December 31, 2013*

Has your government engaged a labor relations consultant? Yes No

If yes, please provide the following information for each consultant:

Name of firm(s):	Summit Law Group
Name of consultants:	Bruce Schroeder Denise Ashbaugh
Business Address:	315 5 th Ave S Suite 1000 Seattle, WA 98104
Amount paid to consultant during fiscal year:	\$810.50
Terms and conditions, as applicable, including:	
Rates (e.g., hourly, etc.):	\$200-300 per hour
Maximum compensation allowed:	None
Duration of services:	As needed
Services provided:	Consultation as needed on grievances, arbitrations, and other labor relations matters.

Schedule 20

Schedule of Sales and Use Tax for Public Facilities - Rural Counties

For the Year Ended December 31, 2013

Total Sales and Use Tax Proceeds (BARS Code 313.18) \$ 481,670 plus Unspent Proceeds from Previous Periods \$ 0

	(1)	(2)	(3)	(4)	(5)	(6)
Public Facilities Project	Plan Containing the Project	Total Expenditures for the Project	Amount of Sales and Use Tax Spent on the Project	Estimated Number of Businesses Created and/or Retained by the Project	Estimated Number of Jobs Created and/or Retained by the Project	
1) Shelton Regional Water & Wastewater System *	2005 CEDS #1	*\$2,079,360 approved by county	\$ 127,361	395	3,460+	
2) Economic Development Council	Per RCW 82.14.370 (3) (a)	\$720,000 (for years 2011-2013)	68,000		200 for years 2011-2013	
3) Oakland Bay Shellfish Protection District	08 CEDS #13	\$200,000.00	200,000	18	400+	
4) Belfair Sewer Phases 1-4	CEDS list	\$ 53 million	400,000	50	300	

* Total project cost is \$41,520,000 for Shelton Regional Water & Wastewater System