



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## Clallam County

For the period January 1, 2021 through December 31, 2021

*Published September 19, 2022*

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

September 19, 2022

Board of Commissioners  
Clallam County  
Port Angeles, Washington

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

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

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

Sincerely,

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

Pat McCarthy, State Auditor  
Olympia, WA

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Clallam County January 1, 2021 through December 31, 2021

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the County’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

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

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

#### Federal Awards

Internal Control over Major Programs:

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

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

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

## **Identification of Major Federal Programs**

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

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

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

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

## INDEPENDENT AUDITOR'S REPORT

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

#### **Clallam County January 1, 2021 through December 31, 2021**

Board of Commissioners  
Clallam County  
Port Angeles, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Clallam County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 13, 2022.

We issued an unmodified opinion on the fair presentation of the County's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the County using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

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

## **PURPOSE OF THIS REPORT**

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

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

A handwritten signature in cursive script that reads "Pat McCarthy". The signature is written in black ink and is positioned above the typed name.

Pat McCarthy, State Auditor

Olympia, WA

September 13, 2022

# INDEPENDENT AUDITOR'S REPORT

## Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

### Clallam County January 1, 2021 through December 31, 2021

Board of Commissioners  
Clallam County  
Port Angeles, Washington

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

### Opinion on Each Major Federal Program

We have audited the compliance of Clallam County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also

serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

September 13, 2022

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### Clallam County January 1, 2021 through December 31, 2021

Board of Commissioners  
Clallam County  
Port Angeles, Washington

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Unmodified and Adverse Opinions

We have audited the financial statements of Clallam County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

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

As described in Note 1, the County has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Clallam County, and its changes in cash and investments, for the year ended December 31, 2021, on the basis of accounting described in Note 1.

### Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clallam County, as of December 31, 2021, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the County in accordance with state law using accounting practices prescribed by the BARS manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

*Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling

such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2022 on our consideration of the County's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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Pat McCarthy, State Auditor

Olympia, WA

September 13, 2022

**Clallam County**  
**January 1, 2021 through December 31, 2021**

**FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2021  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2021  
Notes to Financial Statements – 2021

**SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2021  
Schedule of Expenditures of Federal Awards – 2021  
Notes to the Schedule of Expenditures of Federal Awards – 2021

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		Total for All Funds (Memo Only)	001 General	101 Roads	110 OPSCAN Operations
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	46,287,732	14,637,470	5,180,196	1,017,000
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	43,134,984	23,306,518	8,152,420	707,746
320	Licenses and Permits	1,138,127	1,087,892	49,585	-
330	Intergovernmental Revenues	30,104,071	7,006,180	3,859,196	622,021
340	Charges for Goods and Services	15,567,338	7,645,933	177,301	426,045
350	Fines and Penalties	988,017	986,464	-	1,489
360	Miscellaneous Revenues	2,762,040	2,130,565	300,236	68,197
Total Revenues:		93,694,577	42,163,552	12,538,738	1,825,498
<b>Expenditures</b>					
510	General Government	26,446,726	15,583,289	54,913	-
520	Public Safety	18,936,788	15,374,070	500,000	1,604,886
530	Utilities	768,951	-	-	-
540	Transportation	12,607,367	-	10,337,956	-
550	Natural/Economic Environment	6,204,558	2,535,035	50,418	-
560	Social Services	9,709,143	1,994,945	-	-
570	Culture and Recreation	3,155,300	3,114,548	-	-
Total Expenditures:		77,828,833	38,601,887	10,943,287	1,604,886
Excess (Deficiency) Revenues over Expenditures:		15,865,744	3,561,665	1,595,451	220,612
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	193,906	-	-	-
397	Transfers-In	6,532,624	270,000	2,176,594	50,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,420,443	611,847	651,161	-
Total Other Increases in Fund Resources:		8,146,973	881,847	2,827,755	50,000
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	4,415,590	122,273	908,781	140,388
591-593, 599	Debt Service	417,159	-	-	-
597	Transfers-Out	6,532,624	3,251,392	3,587	-
585	Special or Extraordinary Items	2,834	2,834	-	-
581, 582, 589	Other Uses	130,400	-	64,280	-
Total Other Decreases in Fund Resources:		11,498,607	3,376,499	976,648	140,388
<b>Increase (Decrease) in Cash and Investments:</b>		<b>12,514,110</b>	<b>1,067,013</b>	<b>3,446,558</b>	<b>130,224</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	24,694,474	307,534	274,011	1,029,008
50841	Committed	8,949	-	-	-
50851	Assigned	18,701,470	-	8,352,743	118,216
50891	Unassigned	15,356,352	15,356,352	-	-
<b>Total Ending Cash and Investments</b>		<b>58,761,245</b>	<b>15,663,886</b>	<b>8,626,754</b>	<b>1,147,224</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>113 Health &amp; Human Services</b>	<b>114 Law Library</b>	<b>117 Crime Victim</b>	<b>119 Racketeering</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	4,230,622	6,940	79,790	1,854
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	2,105,231	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	5,267,521	-	66,350	-
340	Charges for Goods and Services	1,068,774	27,330	57,586	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	56,564	-	-	2
Total Revenues:		8,498,090	27,330	123,936	2
<b>Expenditures</b>					
510	General Government	-	-	194,100	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	7,438,261	-	-	-
570	Culture and Recreation	-	40,752	-	-
Total Expenditures:		7,438,261	40,752	194,100	-
Excess (Deficiency) Revenues over Expenditures:		1,059,829	(13,422)	(70,164)	2
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	795,313	20,000	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	14,630	-	-	-
Total Other Increases in Fund Resources:		809,943	20,000	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	9,086	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		9,086	-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1,860,686</b>	<b>6,578</b>	<b>(70,164)</b>	<b>2</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	4,691,995	13,518	-	-
50841	Committed	-	-	-	-
50851	Assigned	1,399,313	-	9,626	1,856
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>6,091,308</b>	<b>13,518</b>	<b>9,626</b>	<b>1,856</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		122 Treasurer's O&M	124 Document Preservation	129 Dispute Resolution Center	130 Noxious Weed Control
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	284,012	550,584	1,513	340,609
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	12,942	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	14,486	89,498	-	49,790
340	Charges for Goods and Services	137,025	65,550	17,390	49,856
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	615	-	-	108,428
Total Revenues:		165,068	155,048	17,390	208,074
<b>Expenditures</b>					
510	General Government	211,625	98,013	17,900	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	228,908
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		211,625	98,013	17,900	228,908
Excess (Deficiency) Revenues over Expenditures:		(46,557)	57,035	(510)	(20,834)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	703	-	-	-
Total Other Increases in Fund Resources:		703	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(46,854)</b>	<b>57,035</b>	<b>(510)</b>	<b>(20,834)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	238,158	607,619	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	1,003	319,775
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>238,158</b>	<b>607,619</b>	<b>1,003</b>	<b>319,775</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>190 Conservation Futures</b>	<b>191 Emergency Communication Tax</b>	<b>192 Hotel/Motel Tax</b>	<b>193 Trial Court Improvements</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	286,650	2,035,062	950,533	59,038
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	281,053	1,835,487	1,484,829	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	18	-	-	36,248
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,739	2,177	-	-
Total Revenues:		282,810	1,837,664	1,484,829	36,248
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	1,457,832	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	1,125,761	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,457,832	1,125,761	-
Excess (Deficiency) Revenues over Expenditures:		282,810	379,832	359,068	36,248
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	14,991	-	-	-
Total Other Increases in Fund Resources:		14,991	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	40,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	40,000
<b>Increase (Decrease) in Cash and Investments:</b>		<b>297,801</b>	<b>379,832</b>	<b>359,068</b>	<b>(3,752)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	539,944	2,414,894	1,309,601	-
50841	Committed	-	-	-	-
50851	Assigned	44,507	-	-	55,286
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>584,451</b>	<b>2,414,894</b>	<b>1,309,601</b>	<b>55,286</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>194 Veterans' Relief</b>	<b>195 Federal Forest Replacement</b>	<b>196 American Rescue Plan Act</b>	<b>197 Affordable Housing Sales Tax</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	123,830	64,947	-	116,410
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	121,388	-	-	148,936
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	100,136	7,832	11,477,629	40,262
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	697	-	1,914	203
Total Revenues:		222,221	7,832	11,479,543	189,401
<b>Expenditures</b>					
510	General Government	-	-	7,583,720	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	275,937	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		275,937	-	7,583,720	-
Excess (Deficiency) Revenues over Expenditures:		(53,716)	7,832	3,895,823	189,401
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	6,582	-	-	-
Total Other Increases in Fund Resources:		6,582	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(47,134)</b>	<b>7,832</b>	<b>3,895,823</b>	<b>189,401</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	76,696	72,779	3,893,909	305,811
50841	Committed	-	-	-	-
50851	Assigned	-	-	1,914	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>76,696</b>	<b>72,779</b>	<b>3,895,823</b>	<b>305,811</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>199 Opportunity Fund</b>	<b>274 RID #149</b>	<b>295 LID 2007-1</b>	<b>301 REET</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	4,171,352	31,172	5,174	1,718,113
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,680,853	-	-	1,648,791
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	64	-	-
360	Miscellaneous Revenues	4,428	2,419	6,775	25
Total Revenues:		1,685,281	2,483	6,775	1,648,816
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	138,100	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		138,100	-	-	-
Excess (Deficiency) Revenues over Expenditures:		1,547,181	2,483	6,775	1,648,816
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	3,000	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	7,843
Total Other Increases in Fund Resources:		3,000	-	-	7,843
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	925,667
591-593, 599	Debt Service	417,159	-	-	-
597	Transfers-Out	-	-	3,000	282,140
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	6,784
Total Other Decreases in Fund Resources:		417,159	-	3,000	1,214,591
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1,133,022</b>	<b>2,483</b>	<b>3,775</b>	<b>442,068</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	5,304,374	-	-	2,160,181
50841	Committed	-	-	8,949	-
50851	Assigned	-	33,655	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>5,304,374</b>	<b>33,655</b>	<b>8,949</b>	<b>2,160,181</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>302 REET 2</b>	<b>303 Lower Dungeness Floodplain</b>	<b>304 Dungeness Reservoir</b>	<b>305 Capital Projects</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	1,048,171	35,984	23,643	237,285
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,648,790	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	899,909	152,773	-
340	Charges for Goods and Services	-	-	54,137	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		1,648,790	899,909	206,910	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	1,946,726	179,610	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,946,726	179,610	-
Excess (Deficiency) Revenues over Expenditures:		1,648,790	(1,046,817)	27,300	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	1,276,118	300,000	357,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	1,276,118	300,000	357,000
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	8,916	-	-	205,039
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	1,249,077	230,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	18,889	-	-	13,923
Total Other Decreases in Fund Resources:		1,276,882	230,000	-	218,962
<b>Increase (Decrease) in Cash and Investments:</b>		<b>371,908</b>	<b>(699)</b>	<b>327,300</b>	<b>138,038</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,420,079	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	35,285	350,943	375,323
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>1,420,079</b>	<b>35,285</b>	<b>350,943</b>	<b>375,323</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>307 Capital Projects IT</b>	<b>309 Carlsborg Water Mitigation</b>	<b>402 Solid Waste</b>	<b>414 Clallam Bay Sewer</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	322,606	45,721	14,674	359,419
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	41,431	372,791
340	Charges for Goods and Services	-	-	34,607	319,582
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	21	6,578
Total Revenues:		-	-	76,059	698,951
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	75,067	482,588
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	75,067	482,588
Excess (Deficiency) Revenues over Expenditures:		-	-	992	216,363
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	193,906
397	Transfers-In	522,077	14,255	-	611,528
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	34,363
Total Other Increases in Fund Resources:		522,077	14,255	-	839,797
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	574,510	19,901	-	931,564
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	50	277,722
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		574,510	19,901	50	1,209,286
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(52,433)</b>	<b>(5,646)</b>	<b>942</b>	<b>(153,126)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	34,363
50841	Committed	-	-	-	-
50851	Assigned	270,173	40,075	15,616	171,930
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>270,173</b>	<b>40,075</b>	<b>15,616</b>	<b>206,293</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>424 Carlsborg Sewer</b>	<b>434 Bullman Beach Water System</b>	<b>503 ER &amp; R</b>	<b>504 Risk Management</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	550,550	-	3,128,520	2,208,850
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	650	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	157,446	-	2,679,300	2,249,206
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	8,154	55,691	3,489	3,123
Total Revenues:		166,250	55,691	2,682,789	2,252,329
<b>Expenditures</b>					
510	General Government	-	-	-	2,120,444
520	Public Safety	-	-	-	-
530	Utilities	180,736	30,560	-	-
540	Transportation	-	-	2,269,411	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		180,736	30,560	2,269,411	2,120,444
Excess (Deficiency) Revenues over Expenditures:		(14,486)	25,131	413,378	131,885
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	36,739	75,000	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	78,323	-
Total Other Increases in Fund Resources:		36,739	75,000	78,323	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	60,769	-	508,696	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	500	-	1,195,156	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	26,524	-
Total Other Decreases in Fund Resources:		61,269	-	1,730,376	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(39,016)</b>	<b>100,131</b>	<b>(1,238,675)</b>	<b>131,885</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	511,534	100,131	1,889,845	2,340,735
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>511,534</b>	<b>100,131</b>	<b>1,889,845</b>	<b>2,340,735</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>505 Workers'</b>	<b>506 Employee</b>	<b>507</b>
		<b>Compensation</b>	<b>Health Care</b>	<b>Unemployment</b>
		<b>505 Workers'</b>	<b>Health Care</b>	<b>Unemployment</b>
		<b>Compensation</b>	<b>Benefit</b>	<b>Compensation</b>
<b>Beginning Cash and Investments</b>				
308	Beginning Cash and Investments	2,170,735	30,000	218,703
388 / 588	Net Adjustments	-	-	-
<b>Revenues</b>				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	371,337	-	28,933
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	-	-	-
Total Revenues:		371,337	-	28,933
<b>Expenditures</b>				
510	General Government	537,409	13,463	31,850
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		537,409	13,463	31,850
Excess (Deficiency) Revenues over Expenditures:		(166,072)	(13,463)	(2,917)
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	25,000	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	25,000	-
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(166,072)</b>	<b>11,537</b>	<b>(2,917)</b>
<b>Ending Cash and Investments</b>				
50821	Nonspendable	-	-	-
50831	Restricted	-	-	-
50841	Committed	-	-	-
50851	Assigned	2,004,663	41,537	215,786
50891	Unassigned	-	-	-
<b>Total Ending Cash and Investments</b>		<b>2,004,663</b>	<b>41,537</b>	<b>215,786</b>

The accompanying notes are an integral part of this statement.

**Clallam County**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>Total for All Funds (Memo Only)</b>	<b>Investment Trust</b>	<b>Private-Purpose Trust</b>	<b>Custodial</b>
308	Beginning Cash and Investments	70,926,045	54,932,327	89,979	15,903,739
388 & 588	Net Adjustments	-	-	-	-
310-390	Additions	403,107,980	53,149,950	12,386	349,945,644
510-590	Deductions	383,595,631	35,776,185	4,458	347,814,988
	Net Increase (Decrease) in Cash and Investments:	19,512,349	17,373,765	7,928	2,130,656
508	Ending Cash and Investments	90,438,394	72,306,092	97,907	18,034,395

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clallam County was incorporated on April 26, 1854 and operates under State of Washington laws applicable to a Home Rule Charter County. The County is a general purpose government and provides Sheriff, Jail, Fire Marshal, Sewage Collection/Treatment, Road Maintenance, Planning and Zoning, Parks, Fair, Judicial Administration, Health and Social Services, Juvenile, and General Administrative Services.

Clallam County reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to GAAP.

A. Basis of Presentation - Fund Accounting

Financial transactions of the County are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The County's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

**Governmental Fund Types**

General Fund

This is the County's general operating fund; accounting for all financial resources and transactions except those required to be accounted for in another fund.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specific purposes of the County.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest, and related costs on general long-term debt.

Capital Project Funds

These funds account for financial resources that are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

**Proprietary Fund Types**

Enterprise Funds

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

Internal Service Funds

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

**Fiduciary Fund Types**

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

Investment Trust Funds

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

Private-Purpose Trust Funds

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

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

Custodial Funds

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

B. Basis of Accounting

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

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

C. Deposits and Investments - See Note 3.

D. Capital Assets

Assets with anticipated useful lives in excess of one year and with a purchase price of \$5,000 or more are deemed capital assets. Under cash basis of accounting they are recorded as expenditures when purchased.

E. Compensated Absences

Employees may accumulate vacation leave up to 480 hours (or the hours of vacation to be accrued in 24 months at current accrual rate in the case of Teamsters Union members) of which up to 400 hours is payable upon separation. Sick leave may accumulate without limit and is payable generally up to 20% for full-time employees and 10% for part-time employees on retirement or other separation. Payouts are calculated at wage rates at the date of termination. Payments are recognized as expenditures when paid.

F. Long-Term Debt - See Notes 7, 8 and 11.

G. Other Resources and Other Uses

Other Resources consist mainly of sales of County-owned timber, proceeds from sale of equipment, and retainage deposits received. Other Uses consist mainly of retainage deposits disbursed and payment of *Blake* decision-related legal financial obligations (see Note 13).

H. Risk Management - See Note 9.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

I. Restricted and Committed Portion of Ending Cash and Investments

Pursuant to the BARS Manual, cash and investments are to be classified as nonspendable, restricted, committed, assigned or unassigned. Ending cash and investments are reported as restricted or committed when such funds are subject to restrictions on use imposed by external parties, RCW or due to internal commitments established by Board of Commissioners-adopted resolution or ordinance. When expenditures that meet restrictions are incurred, the County intends to use the most restricted resources first. At December 31, 2021, restrictions and commitments of Ending Cash and Investments consisted of:

FUND #	FUND NAME	RESTRICTED ENDING CASH & INVESTMENTS	COMMITTED ENDING CASH & INVESTMENTS	CLASSIFICATION DETAILS
001	General Fund	307,534	-	Restricted relate to \$93,521 of \$1 auditor surcharge for historic preservation funds pursuant to RCW 36.22.170, \$115,575 of District Court 1 unspent AOC Therapeutic Court grant funds, \$27,494 of Auditor unspent HAVA election security grants, \$1,538 of Sheriff unspent STOP grant funds, and \$69,406 of surety/performance bond funds held pursuant to franchise agreements.
101	Roads	274,011	-	Restricted consists of proceeds received from the sale of surplus land and vendor refund received in 2019 related to the Deer Park overpass federally funded project totaling \$224,011 that has to be applied to another eligible Federal roads project for which full funding has not been committed, and \$50,000 of donated funds restricted for use on the Calawah Bridge project.
110	OPSCAN Operations	1,029,008	-	Restricted consists of various Sheriff-managed funds that must be spent in accordance with terms of interlocal agreements (including OPNET Drug (\$63,881), OPSCAN Operations (\$624,913)), RCWs governing Boating Safety (RCW 88.02.640 (8)--\$152,044), 911 Enhanced (RCW 82.148.030--\$126,275) and 24/7 Sobriety Program (RCW 36.28A.300-390--\$46,661), donated funds restricted to use in support of Sheriff Honor Guard functions (\$4,388), and required distributions with other law enforcement agencies pursuant to the terms of Homeland Security grant funds (\$10,846).
113	Health & Human Services	4,691,995	-	Restricted consists of recording surcharges and sales & use tax that must be spent in accordance with RCW, including Homeless Task Force (RCW 36.22.179--\$966,987), Chemical Dependency/Mental Health (RCW 82.14.460--\$2,843,163), and Affordable Housing (RCW 36.22.178--\$306,811). Also includes unspent Foundational Public Health Services grant funds (\$345,001), Olympic Community of Health Contributions (\$53,681), Department of Health Tobacco state grant funds (\$60), and \$176,292 related to the Working Advance from the Washington Department of Social & Health Services.
114	Law Library	13,518	-	Restricted consists of law library funds that must be spent in accordance with RCW 27.24.070.
122	Treasurer's O&M	238,158	-	Restricted consists of Treasurer O&M (\$161,733), REET Electronic Technology (\$65,663) and Land Assessment (\$10,762) funds that must be spent in accordance with RCW 84.56.020, 82.45.180 and 36.33.120-190, respectively.
124	Document Preservation	607,619	-	Restricted consists of Auditor required surcharge funds that must be spent on eligible historic document preservation costs in accordance with RCW 36.22.170.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

FUND #	FUND NAME	RESTRICTED ENDING CASH & INVESTMENTS	COMMITTED ENDING CASH & INVESTMENTS	CLASSIFICATION DETAILS
190	Conservation Futures	539,944	-	Restricted consists of conservation futures property tax funds that must be spent on preserving lands of public interest in accordance with RCW 84.34.230.
191	Emergency Communications Tax	2,414,894	-	Restricted consists of funds governed by RCW 82.14.420 which must be used to finance, design, acquire, construct, equip, operate, and maintain emergency communication systems and facilities.
192	Hotel/Motel Tax	1,309,601	-	Restricted consists of hotel/motel lodging tax which must be used only for tourism activities or tourism-related facilities in accordance with RCW 67.28.180 and 67.28.181.
194	Veterans' Relief	76,696	-	Restricted consists of property tax levy and related interest funds that must be spent on eligible veteran's relief support efforts in accordance with RCW 73.08.08..
195	Federal Forest Replacement	72,779	-	Restricted consists of funds governed by Title III of the Secure Rural Schools Act, which requires funds be used for on county projects including search, rescue and emergency services, community service work camps, easements purchases, forest related educational opportunities, fire prevention and county planning, and community forestry purposes.
196	American Rescue Plan Act	3,893,909	-	Restricted consists of unspent grant funds received under Section 603 of the American Rescue Plan Act for State and Local Fiscal Recovery Funds granted to the County by the US Treasury, which must be used (1) to respond to the COVID-19 public health emergency or its negative impacts; (2) for provision of premium pay for eligible workers performing essential work during the COVID-19 public health emergency; (3) for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency; or (4) to make necessary investments in water, sewer, or broadband infrastructure.
197	Affordable Housing	305,811	-	Restricted consists of HB 1406 Affordable Housing Sales Tax Credit governed by RCW 82.14.540 and CTED CDBG Housing Rehabilitation Revolving Loan program funds that can only be used in support of affordable housing initiatives.
199	Opportunity Fund	5,304,374	-	Restricted consists of Rural Counties Public Facilities Sales Tax that under RCW 82.14.370 must be used to finance public facilities serving economic development purposes and finance personnel in economic development offices.
295	LID 2007-1		8,949	Committed under Resolution 88-2007 and 98-2009 creating a LID for purpose of providing sewer facilities.
301	REET	2,160,181	-	Restricted consists of real estate excise taxes that must be used on eligible capital projects and maintenance of capital projects in accordance with RCW 82.45 and 82.46 and retainage funds held related to certain REET-funded projects of \$7,843
302	REET 2	1,420,079	-	Restricted consists of real estate excise taxes that must be used on eligible capital projects and maintenance of capital projects in accordance with RCW 82.45 and 82.46.
414	Clallam Bay Sewer	34,363	-	Restricted consists of retainage funds held related to certain capital projects of \$34,363.
<b>TOTAL-- STATEMENT C-4</b>		<b>24,694,474</b>	<b>8,949</b>	

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

NOTE 2 – BUDGET COMPLIANCE

1. Budgets

Annual appropriated budgets are adopted for governmental funds on a cash basis of accounting with no significant differences between the budgetary basis and the accounting basis. Budgets are adopted at the fund level, or the department level in the general fund, which constitute the legal authority for expenditures at that level. Appropriations lapse at year end.

The 2022 general fund budget as originally approved in December 2021 included a deficit of \$4,892,166.

2. Amending the Budget

The County Administrator is authorized to transfer budget amounts between departments within any fund/department. However, any revisions that alter the total expenditures of the County, amount of capital purchases, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County Commissioners. Revisions within funds are allowed, but supplemental or additional appropriations must be approved by the legislative authority following public hearings. The County's budget was amended 214 times during 2021.

3. The appropriated and actual expenditures for the legally adopted 2021 budgets were:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
<u>GENERAL FUND</u>			
Assessor	1,770,672	1,688,916	81,756
Auditor	1,561,862	1,411,128	150,734
Treasurer	680,416	629,768	50,648
BOCC - Operations	830,022	771,264	58,758
Boundary Review Board	1,780	204	1,576
Port Crescent Cemetery	3,000	0	3,000
Board of Equalization	86,011	73,556	12,455
Non Departmental	2,490,490	2,347,670	142,820
Operating Transfers Out	2,061,135	1,404,516	656,619
DCD - Administration	550,145	429,620	120,525
DCD - Environmental Quality	254,624	201,102	53,522
DCD - Permit Center	1,069,742	991,711	78,031
DCD - Planning	475,701	294,359	181,342
Hearing Examiner	42,500	33,750	8,750
Information Technology	1,957,474	1,955,683	1,791
Geographic Information System (GIS)	204,028	171,518	32,510
Human Resources	586,786	549,590	37,196
Environmental Health	1,451,295	1,146,551	304,744

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
HHS - Administration	709,766	547,002	162,764
Sheriff - Operations	7,178,365	7,066,422	111,943
Animal Control	208,530	192,843	15,687
Search and Rescue	18,150	11,500	6,650
Jail	4,325,151	4,063,708	261,443
Jail Medical	865,641	836,097	29,544
Emergency Services	366,510	251,370	115,140
Indigent Defense	1,558,340	1,558,339	1
Prosecuting Attorney	3,148,948	2,715,254	433,694
Child Support	311,036	294,167	16,869
Coroner	201,800	200,390	1,410
Juvenile Services	3,548,112	3,176,775	371,337
Superior Court	1,893,829	1,472,778	421,051
District Court I	1,067,323	858,524	208,799
District Court II	417,439	386,658	30,781
Clerk	1,034,995	936,196	98,799
Parks and Facilities	2,742,101	2,577,511	164,590
Fair	457,501	277,976	179,525
WSU Extension	364,362	328,452	35,910
Flood Control	190,537	166,115	24,422
<b>TOTAL GENERAL FUND</b>	<b>46,686,119</b>	<b>42,018,983</b>	<b>4,667,136</b>
 OTHER FUNDS			
Roads	12,775,111	11,919,935	855,176
Honor Guard Donation	3,913	0	3,913
Boating Safety Recreational and Boating Fund	61,924	31,747	30,177
VRF Boating Program	45,548	20,612	24,936
Sheriff - OPNET Drug	244,578	166,711	77,867
Nine-One-One Enhanced	764,293	757,640	6,653
OPSCAN Operations	480,965	262,591	218,374
Sheriff - Operation Stonegarden	786,488	444,645	341,843
24/7 Sobriety Program	56,728	35,474	21,254
Sheriff - Inmate Commissary and Welfare	64,320	25,854	38,466
Health and Human Services - Operations	4,613,732	3,678,446	935,286
Homeless Task Force	710,503	448,623	261,880
Chemical Dependency Mental Health	1,899,387	1,587,462	311,925
Affordable Housing	85,000	39,372	45,628
Developmental Disabilities	2,287,305	1,693,444	593,861
Law Library	46,475	40,752	5,723
Local Crime Victim Comp/Local	213,844	194,100	19,744
Treasurer - Operation and Maintenance	117,287	99,415	17,872
REET Electronic Technology	97,307	97,237	70
Land Assessment	15,702	14,973	729
Document Preservation	159,215	98,013	61,202
Dispute Resolution	15,135	10,020	5,115
Courthouse Facilitator	8,520	7,880	640
Noxious Weed Control	252,638	208,023	44,615
LMD#2 Lake Sutherland	23,532	20,885	2,647

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Trial Court Improvements	40,000	40,000	0
Veterans Relief	285,150	275,937	9,213
Federal Forest Replacement	30,000	0	30,000
Hotel/Motel Tax	1,169,534	1,125,761	43,773
Opportunity Fund	921,123	555,259	365,864
American Rescue Plan Act	12,450,000	7,583,720	4,866,280
Emergency Communication Tax	1,814,400	1,457,832	356,568
RID #149 Osborn Road	2,500	0	2,500
LID 3rd Street Sewer Line	3,000	3,000	0
Real Estate Excise Tax Project	2,179,355	1,214,591	964,764
Real Estate Excise Tax 2	1,530,000	1,276,882	253,118
Lwr Dungeness Floodplain	6,866,964	2,176,726	4,690,238
Dungeness Reservoir	4,470,000	179,610	4,290,390
Capital Projects	451,000	218,962	232,038
Capital Projects Info Tech	677,000	574,510	102,490
Carlsborg Water Mitigation	250,000	19,901	230,099
Solid Waste	102,356	75,117	27,239
Clallam Bay-Sekiu Sewer	4,466,789	1,691,874	2,774,915
Carlsborg Sewer	573,941	242,005	331,936
Bullman Beach Water System	75,000	30,560	44,440
Equipment Rental and Revolving	4,615,711	3,999,787	615,924
Risk Management	2,241,623	2,120,444	121,179
Workers Compensation Claims	876,448	537,409	339,039
Employee Health Care Benefit	25,000	13,463	11,537
Unemployment Compensation	51,519	31,850	19,669
<b>TOTAL OTHER FUNDS</b>	<b>71,997,863</b>	<b>47,349,054</b>	<b>24,648,809</b>
<b>TOTAL ALL FUNDS</b>	<b>118,683,982</b>	<b>89,368,037</b>	<b>29,315,945</b>

**NOTE 3 - DEPOSITS AND INVESTMENTS**

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the County or its agent in the County's name. All deposits and investments are stated at original cost, with no material difference between cost and fair value.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

As of December 31, 2021 the County had the following deposits and investments:

	County Owned Deposits & Investments	Deposits & Investments Held by County as Custodian	Total
Bank Deposits	\$ 21,899,851	\$ 9,857,146	\$ 31,756,997
Certificates of Deposit	7,235,266	4,898,227	12,133,493
US Government Securities	-	-	-
State Local Government Investment Pool	29,626,128	75,683,021	105,309,149
	<u>29,626,128</u>	<u>75,683,021</u>	<u>105,309,149</u>
Total	<u>\$ 58,761,245</u>	<u>\$ 90,438,394</u>	<u>\$ 149,199,639</u>

State Local Government Investment Pool--The County is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer that was established in 1986. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

NOTE 4 – INVESTMENT TRUST FUND

The Investment Trust Fund sponsored by the County was established on June 16, 1986. Revised Code of Washington (“RCW”) 36.29.022, 36.29.010, and 36.29.020 authorizes the County Treasurer to invest its surplus cash and any funds of special purpose districts which are not required for immediate expenditure and are in the custody, control of the County’s Treasurer and held in trust. The Investment Trust Fund investments are invested pursuant to RCW and the County’s investment policy. Any credits or payments to fund participants are calculated and made in a manner as required by RCW 36.29.024.

The investments are managed by the Treasurer, which reports investment activity and performance to the County Finance Committee on a quarterly basis. Additionally, the County treasurer investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

The Investment Trust Fund is not registered with the SEC and is not subject to any formal oversight other than that provided by the County Treasurer and County Finance Committee. The County Finance Committee is responsible for adopting investment objectives and policies and for monitoring policy implementation and investment performance. The Committee's primary role is to oversee and confirm the composition and allocation of the Investment Trust Fund's portfolio conforms to the investment types, diversification, maturity, rate of return standards, and financial institution criteria authorized under the County's investment policy.

Cash held in trust by the County on behalf of special purpose districts for which the County serves as treasurer in a fiduciary manner are reported within each special purpose district's respective custodial fund until the County Treasurer invests such funds on their behalf, which for all non-school district custodial funds is normally at the beginning of the month following receipt, at which point such invested funds are reported within the Investment Trust Fund.

The interest or other earnings of income from the funds of any special purpose districts of which the governing body has not taken any action pertaining to the investment of funds and that have been invested in accordance with state statutes, are credited to the respective fund of the special purpose district. These investments made by the County Treasurer on behalf of the participants reflects involuntary participation in the County Treasurer's Investment Trust Fund as such funds are required to be invested by statute.

The County Treasurer's Investment Trust Fund consists of voluntary participants including the North Olympic Library System, all six of the County's fire districts, two parks and recreation districts, four irrigation districts (Agnew, Cline, Dungeness and Highland), two water districts (Black Diamond and Sunland), Forks Community Hospital, and the County's five public school districts.

NOTE 5 - PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections during the month are distributed to each applicable fund at the end of the month except for the cities and state which are distributed on the 10th and 20th respectively.

Property tax revenues are recognized when cash is received by the County. Delinquent taxes are considered fully collectable because a lien attaches to the property after taxes are levied.

The County's regular tax levy rate for 2021 was \$1.0830119821 per \$1,000 on a total assessed valuation of \$10,662,785,510 for a regular levy total of \$11,547,924.47. The County's total 2021 levy rate of \$1.0830119821 was comprised of four funds: General at \$1.0455619828; Veterans' Relief at \$.0112499993; Land Assessment at \$.0012000000; and Developmental Disabilities at \$.0250000000.

Clallam County  
Notes to Financial Statements  
For the Year Ended December 31, 2021

NOTE 6 - INTERFUND TRANSACTIONS AND BALANCES

Interfund transactions are classified as follows:

- A. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the County.
- B. Transfers to support the operations of other funds are recorded as “Transfers” and classified with “Other Financial Sources or Uses.”
- C. At December 31, 2020 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$2,744. There were no payments made on this balance in 2021, and after new borrowings of \$784 the balance at December 31, 2021 was \$3,528.

NOTE 7 - LONG-TERM DEBT

The accompanying Schedule of Liabilities (09) provides a summary of the outstanding debt and liabilities of the County and summarizes the County’s debt transactions for the year ended December 31, 2021. Further details of the County’s debt, liabilities and debt service requirements are as follows:

A. Long-Term Debt

Washington State CERB Loan – In 2004, Clallam County borrowed \$750,000 from the Washington State Community Economic Revitalization Board as a general obligation debt and re-loaned that amount to the Clallam Business Incubator, Inc. to aid in the construction of the Incubator facilities. The County is obligated to repay the loan in installments beginning in 2008 and continuing through 2025. Interest on the loan is stated at 1%. At December 31, 2021 the principal outstanding on this loan payable was \$188,050 due in annual payments of \$48,194 through 2025.

In 2012, the Clallam Business Incubator closed, its assets and liabilities were assumed by the Port Angeles School District, and Clallam County forgave the balance of the loan that had been made to the Incubator and assumed by the school.

Washington State PWB Loan – In 2013, Clallam County Public Utility District (PUD) signed a loan agreement with the Washington State Public Works Board for a maximum of \$10,000,000 to partially fund the construction of a wastewater facility in the Carlsborg Urban Growth Area in Clallam County. Subsequently in 2013, Clallam County assumed this loan from the PUD as a general obligation debt. Interest on the loan is stated at 0.25%. As of December 31, 2021, the principal outstanding on this loan payable was \$9,310,345, with annual principal payments due of \$344,828 through June 1, 2048.

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Notes to Financial Statements  
For the Year Ended December 31, 2021

Washington State DOE SRF Standard and Forgivable Principal Loans 00040 – In November 2019, Clallam County Public Works entered into a Water Quality Combined Financial Assistance Agreement with the Washington State Department of Ecology (“DOE”) that provides grant, standard loan and forgivable principal loan funding to support the County’s replacement of waste water collection facilities infrastructure serving the communities of Sekiu and Clallam Bay. This agreement provides loan borrowing capacity to the County totaling up to \$2,299,771, consisting of up to a \$1,865,271 SRF Standard Loan and up to \$434,500 in a SRF Forgivable Principal Loan. Interest on the SRF Standard Loan is at 2%, with semi-annual principal and interest payments due of \$5,076 beginning July 31, 2024 through July 31, 2043 based on borrowings outstanding as of December 31, 2021 and an estimated project completion date of October 31, 2023. No payments or interest are due under the SRF Forgivable Principal Loan, with forgiveness subject to satisfactory adherence to the terms and conditions of the DOE project agreement and completion of the project work. Preliminary project design and planning for this project commenced in 2020 with construction beginning in 2021. As of December 31, 2021, principal outstanding under the SRF Standard Loan and SRF Forgivable Principal Loan totaled \$161,464 and \$65,722, respectively.

Washington State DOE SRF Forgivable Principal Loan 00138 – In May 2020, Clallam County Public Works entered into a Water Quality Combined Financial Assistance Agreement with the Washington State DOE that provides forgivable principal loan funding to support the County conducting a value planning analysis of the alternatives for providing sanitary sewer and waste water treatment plant services to the communities of Sekiu and Clallam Bay. This agreement provides loan borrowing capacity to the County totaling up to \$100,000. No payments or interest are due under the SRF Forgivable Principal Loan, with forgiveness subject to satisfactory adherence to the terms and conditions of the DOE project agreement and completion of the project work. Work for this project commenced in 2021. As of December 31, 2021, principal outstanding under the SRF Forgivable Principal Loan 00138 totaled \$20,874.

Clallam County  
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The total debt service requirements for these general obligation bonds based on borrowings outstanding as of December 31, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	391,141	25,157	416,298
2023	391,603	23,831	415,434
2024	393,837	25,812	419,649
2025	399,525	24,339	423,864
2026	351,947	22,860	374,807
2027-2031	1,761,954	99,149	1,861,103
2032-2036	1,765,930	73,623	1,839,553
2037-2041	1,770,321	47,682	1,818,003
2042-2046	1,743,945	22,052	1,765,997
2047-2050	689,656	2,586	692,242
<b>TOTAL</b>	<b>\$ 9,659,859</b>	<b>\$ 367,091</b>	<b>\$ 10,026,950</b>

The Clallam County Board of Commissioners has resolved to repay the Washington State CERB and Washington State PWB loans out of the County’s Opportunity Fund which receives most of its revenue under RCW 82.14.370 which provides for the Rural Counties Public Facilities Sales Tax, a .09% credit paid to the County from the state sales and use tax collected on economic activity within the County. This primary revenue source for the Opportunity Fund is currently scheduled to end in July 2032. If this revenue stream is not sufficient, is not extended beyond July 2032, or an adequate amount of reserves are not maintained within the Opportunity Fund to meet the remaining payment requirements of these loans after July 2032, the County will be obligated to allocate other resources to make the payments. In the opinion of Clallam County management, such other resources will be available to meet these obligations without materially affecting the County’s other obligations and operations.

The Washington State DOE SRF Standard Loan 00040 is currently expected to be repaid through increased assessed sewer user rates charged by the Clallam Bay Sewer Fund pending completion and approval of results of a user rate study by the Board of County Commissioners that is required to be completed under the DOE Water Quality Combined Financial Assistance Agreement. To the extent funding from user rate increases approved by the Board of County Commissioners are insufficient to fully fund the debt service requirements of the loan, other County funding sources, including the County’s Opportunity Fund, may be utilized subject to Board of County Commissioners approval.

Working Advance from Department of Social and Health Services – The Washington State Department of Social and Health Services (“DSHS”) has historically provided a working advance to our Developmental Disabilities fund to alleviate cash flow problems the fund might experience due to the lag time between when expenditures are incurred by

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- the fund and when it receives reimbursement for such expenditures from DSHS. The amount of working advance afforded by DSHS to this fund is subject to adjustment on June 30<sup>th</sup> of each year depending on DSHS' assessment of funding need. As of December 31, 2021, the working advance outstanding with DSHS totaled \$176,292.
- B. Compensated Absences - The County's liability to employees for compensated absences consists of amounts due for accrued vacation and compensatory time, and depending on the circumstances of an employee's separation, some portion of sick time accrued. The County uses percentages of 20% for full-time employees and 10% for part-time employees of accrued sick time to calculate the value of sick time accrued for purposes of liability disclosure as of December 31, 2021. The compensated absence liability is determined at the current pay rates for employees at the end of each year. Under this calculation, the liability for compensated absences at December 31, 2021 was \$3,360,640 which was an increase of \$191,595 from the end of 2020.
- C. Asset Retirement Obligations – The County has a total of four underground fuel storage tanks (USTs), two of which are currently in use and two that are no longer in use. Placed in service in 1979, the two USTs currently in use are located at the County's courthouse and used as fleet refueling tanks. The County's other two inactive USTs are located at one of the County's parks and were placed in service over 75 years ago by the Federal government, but ceased being used as fuel USTs in approximately 1959. There currently is no evidence indicating any contamination clean-up remediation will be required relating to these USTs. While no formally adopted asset retirement plan or timeline exists for removal of these USTs at this time, the County believes there is a reasonable likelihood that these USTs will eventually require special disposal and decommissioning. As of December 31, 2021, the current cost to decommission and remove these USTs, as adjusted for inflation, is estimated to total approximately \$517,164.

NOTE 8 - PENSION PLANS

Substantially all Clallam County full-time and qualifying part-time employees participate in statewide local government retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit systems. The State Legislature establishes and amends laws pertaining to the creation and administration of all public retirement systems.

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

Department of Retirement Systems  
Communications Unit  
Post Office Box 48380  
Olympia, WA 98504-8380

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Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2021 the County's employer contributions and proportionate share of the collective pension assets, net of pension liabilities as reported on Schedule 09, were as follows:

	Employer Contribution	Allocation %	Liability (Asset)
PERS 1	1,072,962	0.14%	1,759,114
PERS 2/3	1,519,366	0.16%	(15,977,823)
LEOFF 1	--	0.02%	(580,667)
LEOFF 2	170,086	0.09%	(4,955,913)
PSERS 2	160,608	0.33%	(755,993)

LEOFF 1

The County participates in LEOFF 1. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000.

LEOFF 2

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

NOTE 9 - RISK MANAGEMENT

A. Liability Risk Pool

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

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental

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Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2021, 24 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management, education, and claims administration. The Pool's liability program provides coverage for general liability, public officials liability, police professional liability, employment practices liability, and automobile liability. WCRP provides liability limits of \$20,000,000 and currently retains \$2,000,000 million per occurrence. County deductibles range from \$10,000 to \$500,000. Reinsurance is purchased in several layers up to the policy limits of \$10,000,000. Members may purchase an optional \$5,000,000 excess of \$20,000,000 layer of coverage. Allocated Loss Adjustment Expense (ALAE) is combined with losses for purposes of the Pool retention, excess insurance, and deductibles. For losses occurring in 2021, Clallam County selected a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with Self-Insured Retentions ("SIRs") equal to the amount of the layer of coverage below. For 2020-21, the Pool's SIR was \$2,000,000. For certain years prior to 2019, reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2018-19, the "corridor" increased the SIR to \$2,000,000, with losses between \$1,000,000 and \$2,000,000 having an annual aggregated stop loss of \$2,500,000. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30,000,000 (lowest reinsured layer), \$50 million, (second layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. Sixteen of the Pool's 24 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

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

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

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During 2020-21, Clallam County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Two members withdrew from the WCRP during the 2020-21 Fiscal Year. Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Clallam County also participates in the jointly purchased cyber risk and security coverage from a highly rated commercial insurer. This group-purchased cyber coverage provides limits of \$2,000,000 per claim and \$10,000,000 in the aggregate. For 2021, the Pool's SIR for cyber claims was \$100,000 from January 1 through September 30 and was \$250,000 from October 1 through December 31, with Clallam County having no deductible.

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

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and review the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$100,000, c) to authorize by two-thirds majority vote commencement of lawsuits in the name of the Pool.

During 2020-21, the WCRP's assets decreased to \$53,351,913 while its liabilities also decreased to \$27,509,338. The Pool's net position ended at \$26,624,589. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2021 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

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B. Unemployment and Workers' Compensation

The County has elected to fully self-insure its risk for unemployment claims and pays actual costs quarterly as determined and administered by the Washington State Employment Security Department.

The County has elected to partially self-insure its risk for workers' compensation claims. The County is responsible for workers' compensation claims up to \$550,000 per occurrence. Losses in excess of \$550,000 are insured through excess workers' compensation insurance policies. County Management considers the reserve levels at the end of 2021 to be adequate to cover known and anticipated claims as of that date.

C. Risk Funding

Claim settlements and loss expenses are accrued in the Workers' Compensation Claims, Unemployment Compensation, and Risk Management funds for the estimated settlement value of both reported and unreported claims up to the statutory excess limits, as applicable. These funds are responsible for collecting interfund premiums from insured funds and departments, for paying claims settlements and for purchasing certain insurance policies.

NOTE 10 - CLAIMS AND JUDGMENTS

Clallam County was not named as the defendant in any legal actions as of the end of 2021 of which none qualify for coverage under the WCRP. See Note 9 - Risk Management for a description of the WCRP. In the opinion of County management, the county's insurance policies and self-insurance reserves are adequate to pay known and pending claims as of the end of 2021.

NOTE 11 – OPEB PLAN—LEOFF 1

The County's post-employment benefits other than pensions liability ("OPEB") consists solely of the LEOFF 1 Retirement Medical Plan, a closed, single-employer, defined-benefit OPEB plan administered by Clallam County as required under RCW 41.26.150. The County's plan pays for 100% of eligible retirees' healthcare-related costs on a pay-as-you-go basis. As of December 31, 2021, the County's plan had seven members, all of which are retirees. As of December 31, 2021, the County's total OPEB liability was \$3,639,592, as calculated using the alternative measurement method online tool available through the Office of the Washington State Actuary, and represents a decrease of (\$443,988) from the end of 2020. For the year ended December 31, 2021, the County paid total medical costs for the members of \$31,831. In addition, the County also paid \$31,123 in medical insurance premiums for four of these retired employees in 2021. Only LEOFF 1 employees are eligible for this benefit.

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NOTE 12 – COVID-19 PUBLIC HEALTH EMERGENCY

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the COVID-19 virus. In subsequent weeks, the Governor’s office ordered via proclamation a number of precautionary measures to be taken to slow the spread of COVID-19. These measures included closing schools, colleges and universities, canceling public events, prohibiting public and private gatherings, closing of state and local parks, requiring residents to stay home with only limited exceptions, and closing of all non-essential businesses as defined by the Governor’s proclamation. On a national level, the COVID pandemic led to similar measures being taken by all remaining states, resulting in a significant downturn in the US and global economy and capital markets, leading the US Federal government to adopt a number of economic stimulus bills to aid individuals, businesses, hospitals, states and local governments impacted during the state of emergency.

During the second year of this public health emergency, economic activity in 2021 within the County overall continued the rebound witnessed in the 2<sup>nd</sup> half of 2020 as more businesses fully re-opened and as significant economic stimulus continued to be provided in 2021 by the Federal government. This federal economic stimulus included in federal stimulus direct payments, extensions of increased federal unemployment benefits and student loan deferments, and other various forms of federal financial assistance were made available under the CARES Act of 2020 and the American Rescue Plan Act of 2021 (“ARPA”) to those residents, small businesses, nonprofits, state, local and tribal governments, and certain industries that were negatively impacted by the COVID-19 emergency. While variants of the COVID-19 virus resulted in some limited reinstatement of certain public health restrictions that affected the operations of certain types of businesses and contributed to the continued cancellation of many in-person events during much of 2021, the County’s unemployment levels dropped below pre-pandemic levels during 2021 and strong sales activity led to a 21% year-over-year increase in the County’s sales and use tax-based revenue streams. While several of the County’s revenue streams continued to be negatively impacted by the effects of the COVID pandemic, including revenues lost from the cancellation of the County’s fair, lower jail services revenue derived from certain State agencies, and lower interest income earned from the County’s investment portfolio due to interest rate actions taken by the Federal Reserve at the onset of the pandemic, the County’s overall revenue experienced growth in 2021.

The County also incurred significant additional unbudgeted expenditures relating to its emergency response to the COVID pandemic, much of which related to addressing the continued negative economic impacts of COVID-19 in its communities that were funded through federal direct and pass-through grants received under the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) section of ARPA and the Federal CARES Act. In May 2021, the County was awarded a total of \$15,020,640 from the United States Department of the Treasury, of which \$7,510,320 was received in May 2021, with the remaining funds to be received in 2022. Based on eligible usage guidance outlined in the SLFRF Interim Final Rule, input received from multiple task groups created to identify community needs created during the COVID-19 emergency, and evaluation of applications received by the County from entities requesting

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SLFRF funding assistance, the County Board of Commissioners approved allocation of SLFRF funds awarded to the County to provide economic assistance and public health funding to the following projects as of December 31, 2021 (as reported to the United States Treasury in the County’s SLFRF Project & Expenditure Report filed in January 2022):

ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2021	Total ARPA Expenditures Incurred Thru 12/31/2021	Project Description
2. - Negative Economic Impacts	2.2 Household Assistance: Rent, Mortgage, and Utility Aid	Clallam County PUD Residential and Commercial Utility Assistance	\$ 350,000	\$ 197,883	Via a Subrecipient Agreement entered into with Clallam County PUD, this project provides utility payment assistance to residents, small businesses, and nonprofits experiencing severe financial hardship due to job loss, layoff, reduction of work hours, reduced revenues or other negative economic impacts or circumstances resulting from the COVID-19 emergency needed to avoid utility disconnect that would endanger the health and well-being of such impacted residents, and impair the ability of businesses to continue to operate. To date, 183 households and small businesses had received ARPA-funded utility payment assistance.
2. - Negative Economic Impacts	2.29 Assistance to Small Businesses: Loans or Grants to Mitigate Financial Hardship	Clallam Economic Development Council - Lifeboat3--Small Businesses	\$ 2,338,000	\$ 1,943,060	Via Subrecipient Agreement entered into with Clallam Economic Development Council to provide small business relief. \$2,500,000 allocated to eligible small businesses and nonprofits located in Clallam County (of which \$2,338,000 has been obligated to date to small businesses) whose operations and financial condition were adversely impacted by the COVID-19 public health emergency, including a reduction in revenues, increase in operating costs related to implementing COVID-19 prevention or mitigation tactics or due to other operating cost increases experienced during the pandemic, business disruption or closure, event cancellation, and/or other similar circumstances during the pandemic that created a financial hardship. Under the EDC Lifeboat 3 grant program funded by these ARPA funds, a total of 128 small businesses in Clallam County received assistance through December 31, 2021.
2. - Negative Economic Impacts	2.34 Assistance to Non-Profits: Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)	Clallam Economic Development Council - Lifeboat 3 Economic Assistance--NonProfits	\$ 162,000	\$ 162,000	Via Subrecipient Agreement entered into with Clallam Economic Development Council to provide small business relief. \$2,500,000 allocated to eligible small businesses and nonprofits located in Clallam County (of which \$162,000 has been obligated to date to nonprofits) whose operations and financial condition were adversely impacted by the COVID-19 public health emergency, including a reduction in revenues, increase in operating costs related to implementing COVID-19 prevention or mitigation tactics or due to other operating cost increases experienced during the pandemic, business disruption or closure, event cancellation, and/or other similar circumstances during the pandemic that created a financial hardship. Under the EDC Lifeboat 3 grant program funded by these ARPA funds, a total of 20 non-profits in Clallam County had received assistance through December 31, 2021.
2. - Negative Economic Impacts	2. 11 Healthy Childhood Environments: Child Care	Clallam Economic Development Council--Lifeboat 3 Economic Assistance--Childcare	\$ 500,000	\$ -	Via Subrecipient Agreement entered into with Clallam Economic Development Council to provide small business relief. \$500,000 is to be allocated specifically to small businesses, nonprofits and special districts that provide child care services in Clallam County.
2. - Negative Economic Impacts	2.15 Long-term Housing Security: Affordable Housing	Peninsula Housing Authority	\$ 210,000	\$ 210,000	Via a Subrecipient Agreement entered into with Peninsula Housing Authority to cover any gaps in funding for six affordable home projects currently on hold and other similar affordable housing projects located in Clallam County that low income families are participating in building through its Mutual Self-Help Program and that qualify for assistance under its Down Payment Assistance Program. Funds are needed to address immediate cash flow needs of the Mutual Self-Help program which relies on available funding through the Subrecipient’s Down Payment Assistance program to cover home build funding gaps once USDA loan funds are exhausted.
2. - Negative Economic Impacts	2.15 Long-term Housing Security: Affordable Housing	Peninsula Behavioral Health - All View Motel Affordable Housing Project	\$ 727,411	\$ 727,411	Via a Direct Grant Agreement entered into with Peninsula Behavioral Health to support its purchase of the AllView Motel for conversion into a supportive affordable housing project of 27 units to house up to 41 individuals or families with serious mental health needs and/or significant substance use disorders that are in need of permanent stable housing with onsite services to be owned, operated and staffed by Peninsula Behavioral Health.

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ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2021	Total ARPA Expenditures Incurred Thru 12/31/2021	Project Description
2. - Negative Economic Impacts	2.15 Long-term Housing Security; Affordable Housing	Habitat for Humanity	\$ 100,000	\$ 100,000	Via a Subrecipient Agreement to be disbursed to Clallam County Habitat for Humanity to support the completion of affordable housing projects in Clallam County for low income households with incomes of 30-80% of Clallam County's AMI. Such funding is needed to address immediate cash flow constraints that are hindering Habitat for Humanity's ability to cover funding gaps in planned affordable housing projects due to increased building material costs. These funds will be used for affordable housing construction costs, including contractor and subcontractor and building material expenses for current housing unit projects, or for restarted housing projects that were previously placed on hold due to high construction material or contractor/subcontractor costs encountered during the COVID-19 pandemic. A total of 2 affordable housing projects in Port Angeles were completed by the end of 2021 utilizing the ARPA funds provided.
2. - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Clallam Bay - Sekiu New Hope Food Bank	\$ 250,000	\$ 194,922	Via a Direct Grant Agreement entered into with The Cornerstone PEC of Clallam Bay-Sekiu, a non-profit organization that operates a food bank serving residents of Clallam Bay-Sekiu and surrounding areas within Clallam County who are experiencing food insecurity during the COVID-19 public health emergency. Their current food bank facility (a 30+ year-old single-wide mobile home of approximately 720 square feet) has, due to the building's age and construction quality, fallen into a state of severe disrepair, and as a result of pest infestation, electrical wiring problems and other issues is no longer safe or viable for the Recipient to continue operating as a food bank. In addition to the inadequacy of the Recipient's current facility from a food storage capacity and operating safety perspective, the Recipient's current facility is located approximately 3 miles outside of Clallam Bay, which greatly hinders its ability to service the food security needs of low income residents in the area, many of which lack a means of transportation to access the Recipient's facilities. In order to address its facility deficiencies, the Recipient has identified an approximate 1,300 square foot replacement building located at 33 Bogachiel St, Clallam Bay, WA, at the center of Clallam Bay that is within close proximity of several local organizations that support the needs of the community including the Lions Club, health clinic, community center, and local church. This agreement is to support the recipient's purchase and renovation of the new facility for the food bank in Clallam Bay.
3. Negative Economic Impacts--Services to Disproportionately Impacted Communities	3.11 Housing Support: Services for Unhoused Persons	North Olympic Regional Veteran's Housing Network--Hobucket House	\$ 59,903	\$ 59,903	Via a Direct Grant Agreement entered into with North Olympic Veteran's Housing Network to be disbursed to the Recipient to support completion of the Recipient's "Hobucket House" affordable housing group home project for homeless, disabled Veterans in Clallam County using federal ARPA funding. Funding was needed to address immediate cash flow constraints that are hindering the Recipient's ability to cover funding gaps in this planned affordable housing group home project located in Forks, WA due to increased building material costs resulting from the supply chain disruptions created during the COVID-19 public health emergency.
2. - Negative Economic Impacts	2.35 Aid to Tourism, Travel, or Hospitality	Black Ball Transportation Inc Economic Assistance Grant	\$ 1,250,000	\$ -	Via a Direct Grant Agreement entered into with Black Ball Transportation, Inc. to support the preservation of the Recipient's private marine transportation activities and jobs associated with such activities that were severely negatively impacted by the closure of the United States- Canada border during the COVID-19 pandemic by providing ARPA-funded economic support assistance.
1.- Public Health	1.1 COVID-19 Vaccination	COVID-19 Vaccination Marketing Campaign	\$ 21,000	\$ 20,017	COVID-19 vaccination marketing campaign for Clallam County to provide information about COVID-19 through a Clallam County Cares website that provides the community with COVID-19 information, vaccine locator, and Clallam County Statistics.

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ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2021	Total ARPA Expenditures Incurred Thru 12/31/2021	Project Description
2. Negative Economic Impacts	2.11 Healthy Childhood Environments: Child Care	Child Care Recruitment Job Fair	\$ 1,215	\$ 1,215	Sponsorship funding for a recruitment fair to encourage participants to consider a career in childcare and early childhood education and accept job openings currently available in most childcare centers and facilities across the county. Current staffing shortage has depressed child care slots by over 25% in a context of an already severe shortage of slots available. Funds were used for advertising in the local paper; Peninsula Daily News, 3 times and a City Banner (cost and installation).
1.- Public Health	1.7 Capital Investments or Physical Plant Changes to Public Facilities	Tek84 Full Body Scanner for County Jail	\$ 183,872	\$ -	Via an Agreement/Purchase Order with Tek84, project is for the purchase of the Tek84 Intercept Full Body Scanner System. This system consists of a thermal body scanner that will be employed in scanning all incoming inmates to the County jail, minimizing the amount of time and physical proximity needed to conduct a search for contraband, resulting in reduced risk of potential COVID-19 exposure to Jail staff during the processing of incoming inmates.

<b>\$ 6,153,401</b>	<b>\$ 3,616,411</b>
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The SLFRF grant advances received by the County and expenditures incurred for the SLFRF projects outlined above are accounted for in the County’s American Rescue Plan Act special revenue fund.

In addition to the ARPA SLFRF funds received from the U.S. Department of Treasury, the County also served as a subrecipient of a \$4.95 million ARPA SLFRF-funded Private Marine Transport reimbursement grant through an interagency agreement entered into with the Washington State Department of Commerce in November 2021. Funds under this grant are designated solely for the provision of economic support to the private marine transportation industry of Clallam County that was directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic. The County received one eligible application for this grant from Black Ball Transport Inc. (“BBT”), a small business and operator since 1959 of an international ferry service between Port Angeles of Clallam County and Victoria, British Columbia that serves as a key driver of tourism-related economic activity to Clallam County. BBT’s ferry operations were suspended from March 2020 through November 2021 due to the COVID-related closure of the United States / Canada border, resulting in a severe financial impact to BBT. As BBT met all eligibility criteria outlined in the Private Marine Transport grant, the County awarded the full amount of the grant to BBT. As of December 31, 2021, the County had received from the Washington State Department Commerce and distributed to BBT a total of \$3,967,309 of funding under this grant for reimbursement of eligible costs incurred by BBT since March 2020. This grant activity is accounted for in the County’s American Rescue Plan Act special revenue fund.

In 2020, the County’s Health and Human Services fund was awarded \$1.52 million of CARES funds through the Washington State Department of Health to support public health efforts during the COVID-19 emergency. These funds were initially required to be spent by December 31, 2020, but were subsequently extended until December 30, 2021. All remaining CARES funds were fully expended by May 2021. These funds, along with additional funding received in 2021 from other federal and state COVID-related grants, were used to fund additional public health personnel, vaccination efforts, contact tracing, testing, community outreach, and other costs

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incurred to support the County's public health response to the COVID-19 pandemic, as well as fund the opening and operation of an isolation shelter by the County to provide additional sheltering capacity for those experiencing homelessness or who otherwise needed sheltering while quarantined due to COVID. This isolation shelter opened in April 2020 and ceased operations in August 2021 when a homeless shelter expansion project undertaken by the County's primary homeless shelter non-profit operator was completed.

Based on the continued positive economic activity seen as COVID-related business and travel restrictions are now substantially lifted, and based on the results of wide-spread vaccination efforts achieved thus far, management believes the County has sufficient funding available through ARPA and other remaining COVID-related grant assistance through federal and state sources, as well as its own reserves, to absorb any remaining revenue and expenditure impacts of the COVID-19 public health emergency in 2022.

NOTE 13 – BLAKE DECISION

In February 2021, as a result of the Washington State Supreme Court decision in the *State v. Blake* case, 197 Wn.2d 170, 173 (2021), all convictions of simple possession of controlled substances under existing State laws were deemed unconstitutional and voided dating back to 1971, requiring the release of affected defendants currently incarcerated, resentencing of affected defendants, and the refunding of all legal financial obligations ("LFOs") assessed and collected from the affected defendants.

Shortly after the *Blake* decision, a putative class action was filed by the Civil Survival Project ("CSP") against King County, Snohomish County and the State of Washington seeking a refund of LFOs and other unspecified damages. The obligation to refund LFOs is not disputed, but the question of whether refunds are the responsibility of the counties or the State is in dispute. The counties believe that this is exclusively a state liability, a position shared by Clallam County. The *Blake* decision invalidates several thousand convictions in superior court dating back to 1971 and implicates a potentially significant, but currently indeterminable, amount of refunds of LFOs related to criminal convictions for simple drug possession obtained for the State of Washington out of Clallam County. The State of Washington has rejected a tender of the CSP matter from the counties. In the fall of 2021, the CSP class action lawsuit was dismissed with prejudice. Plaintiffs have filed an appeal that is unlikely to be resolved until 2023. Clallam County and numerous counties along with the Washington Association of Counties ("WSAC") have filed suit against the State to both enforce the tender of any *Blake*-related suits and to ensure that *Blake*-related liabilities belong to the State, not the counties.

In April 2021, the Washington State Legislature passed SB5476 which requires the creation and funding of a *State v. Blake* reimbursement account to be funded by the State Treasury and administered by the Washington State Administration of the Courts ("AOC") to be used to cover state and local government costs incurred relating to the *State v. Blake* decision, including costs relating to resentencing hearings and LFO refunds. The County entered into an interagency reimbursement agreement with the AOC in October 2021 to access this state funding, which

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provides a total of \$615,200 of reimbursement funding to cover extraordinary judicial, prosecutorial, or defense-related costs incurred by the County relating to resentencing and vacating sentences of defendants whose convictions are affected by the *Blake* decision, and \$435,524 of LFO reimbursement funding for *Blake*-related LFO refunds paid by the County during the period of February 25, 2021 to June 30, 2022. This funding has been sufficient in reimbursing the costs incurred to-date by the County for the operational costs of processing the vacation of sentences and refunding of LFOs paid by the County on behalf of the State of Washington.

In 2022, the Washington Legislature allocated \$47 million of additional funding to the AOC in support of the *Blake* Decision that will result in an increase in funding provided to counties for their *Blake*-related vacating and LFO refund costs. The County expects to enter into a new interagency agreement with the AOC for this new funding in mid-2022, which will cover eligible *Blake* costs incurred during the period July 1, 2022 through June 30, 2023. As part of the 2022 legislative session, the Washington Legislature also approved funding for the AOC to establish a centralized bureau to handle LFO refunds directly, which once established should relieve counties of LFO refund processing responsibility. AOC's formation of this centralized LFO refunding bureau is expected to be in place by July 2023.

It remains unclear what the long-term financial impact of the *Blake* decision will be to the County. Such impact will be largely dependent on the outcomes of both the CSP class action lawsuit appeal as well as the Counties' and WSAC's lawsuit filed against the State concerning ownership of *Blake*-related liabilities. It will also be dependent on whether the *State v. Blake* funding provided by the State through the AOC and the amount allotted to the County under its AOC interagency agreement, and any future funding made available after the current AOC reimbursement funding expires will be sufficient to fully cover all costs incurred by the County due to the *Blake* decision. In the near term, based on the level of *Blake*-related costs incurred to-date and the remaining funding available under the existing AOC interagency agreement and the additional funding expected to be made available under the pending extension of this AOC interagency agreement, the County believes these State-provided sources of funding will be sufficient to fund *Blake*-related resentencing, vacating and LFO refund costs through June 30, 2023. To the extent this is not the case, the County's management believes the County's existing reserves should be sufficient to fund any unreimbursed costs the County incurs relating to the *Blake* decision.

**Clallam County  
Schedule of Liabilities  
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
263.81	Washington State CERB Loan	6/1/2025	233,904	-	45,854	188,050
263.81	Washington State PWB Loan	6/1/2048	9,655,173	-	344,828	9,310,345
263.83	Washington State DOE SRF Standard Loan 00040	7/31/2043	28,598	132,866	-	161,464
263.83	Washington State DOE SRF Forgivable Loan 00040	7/31/2043	25,556	40,166	-	65,722
263.83	Washington State DOE SRF Forgivable Loan 00138	12/31/2022	-	20,874	-	20,874
263.83	Working Advance from Department of Social and Health Services	6/30/2022	176,292	-	-	176,292
<b>Total General Obligation Debt/Liabilities:</b>			<b>10,119,523</b>	<b>193,906</b>	<b>390,682</b>	<b>9,922,747</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		3,169,045	191,595	-	3,360,640
263.99	Asset Retirement Obligations		480,636	36,528	-	517,164
264.30	Pension Obligations		7,055,284	-	5,296,170	1,759,114
264.40	OPEB Obligations		4,083,580	-	443,988	3,639,592
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>14,788,545</b>	<b>228,123</b>	<b>5,740,158</b>	<b>9,276,510</b>
<b>Total Liabilities:</b>			<b>24,908,068</b>	<b>422,029</b>	<b>6,130,840</b>	<b>19,199,257</b>

**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
<b>Child Nutrition Cluster</b>								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Office of Superintendent of Public Schools)	National School Lunch Program	10.555	051219761	9,405	-	9,405	-	1,2,3,6
<b>Total Child Nutrition Cluster:</b>				<b>9,405</b>	<b>-</b>	<b>9,405</b>	<b>-</b>	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	217WAWA7W1003	223,846	-	223,846	-	1,2,3,6
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	207WAWA7Y8604	555	-	555	-	1,2,3,6,8
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	202121Y860447	570	-	570	-	1,2,3,6
<b>Total CFDA 10.572:</b>				<b>1,125</b>	<b>-</b>	<b>1,125</b>	<b>-</b>	
<b>Forest Service Schools and Roads Cluster</b>								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasury)	Schools and Roads - Grants to States	10.665	NA	313,664	-	313,664	-	1,2,3,6
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	FS18-PA-11060900-005	-	36,594	36,594	-	1,2,3,6
<b>Total Forest Service Schools and Roads Cluster:</b>				<b>313,664</b>	<b>36,594</b>	<b>350,258</b>	<b>-</b>	

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**Clallam County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Trout Unlimited)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	NA19NMF4380 206	40,062	-	40,062	-	1,2,3, 6
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via WA Dept of Ecology)	Coastal Wetlands Planning, Protection and Restoration	15.614	F18AP00145	3,293	-	3,293	-	1,2,3, 6
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX- 1581	-	24,648	24,648	-	1,2,3, 6
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	2018-V2-GX- 0046	15,973	-	15,973	-	1,2,3, 6
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	2019-V2-GX- 0034	32,668	-	32,668	-	1,2,3, 6
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	2020-V2-GX- 0022	21,907	-	21,907	-	1,2,3, 6
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	2020-WF-AX- 0054	12,331	-	12,331	-	1,2,3, 6
			<b>Total CFDA 16.575:</b>	<b>70,548</b>	<b>-</b>	<b>70,548</b>	<b>-</b>	

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**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	2019-WF-AX- 0056	8,855	-	8,855	1,501	1,2,3, 6
			<b>Total CFDA 16.588:</b>	<b>21,186</b>	<b>-</b>	<b>21,186</b>	<b>1,501</b>	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	NA	-	26,390	26,390	-	1,2,3, 6,10
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F17-31440-203	61,958	-	61,958	-	1,2,3, 6
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F18-31440-003	53,740	-	53,740	-	1,2,3, 6
			<b>Total CFDA 16.738:</b>	<b>115,698</b>	<b>-</b>	<b>115,698</b>	<b>-</b>	
<b>Highway Planning and Construction Cluster</b>								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	BHS-Q054(002)	108,320	-	108,320	-	1,2,3, 6,9
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	TAP-2005(090)	1,536	-	1,536	-	1,2,3, 6
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	HSIP-000S (555)	482,915	-	482,915	-	1,2,3, 6

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**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	LA-9993	56,799	-	56,799	-	1,2,3, 6
			<b>Total CFDA 20.205:</b>	<b>649,570</b>	-	<b>649,570</b>	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Federal Lands Access Program	20.224	FLAP-9905 (007)	1,212	-	1,212	-	1,2,3, 6
			<b>Total Highway Planning and Construction Cluster:</b>	<b>650,782</b>	-	<b>650,782</b>	-	
<b>Highway Safety Cluster</b>								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WASPC)	State and Community Highway Safety	20.600	69A375213000 04020WA0	999	-	999	-	1,2,3, 6
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSTSC)	State and Community Highway Safety	20.600	69A375213000 04020WA0	2,397	-	2,397	-	1,2,3, 6
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSTSC)	State and Community Highway Safety	20.600	69A375213000 04020WA0	45,500	-	45,500	-	1,2,3, 6
			<b>Total Highway Safety Cluster:</b>	<b>48,896</b>	-	<b>48,896</b>	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Dept of Health)	COVID 19 - Coronavirus Relief Fund	21.019	NGA Not Received	57,570	-	57,570	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Dept of Health)	COVID 19 - Coronavirus Relief Fund	21.019	NGA Not Received	66,359	-	66,359	-	1,2,3, 6

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**Clallam County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Dept of Health)	COVID 19 - Coronavirus Relief Fund	21.019	NGA Not Received	490,742	-	490,742	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA AOC)	COVID 19 - Coronavirus Relief Fund	21.019	NA	2,532	-	2,532	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA AOC)	COVID 19 - Coronavirus Relief Fund	21.019	NA	84,172	-	84,172	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA AOC)	COVID 19 - Coronavirus Relief Fund	21.019	NA	3,855	-	3,855	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA AOC)	COVID 19 - Coronavirus Relief Fund	21.019	SLT0017	28,050	-	28,050	-	1,2,3, 6
<b>Total CFDA 21.019:</b>				<b>733,280</b>	<b>-</b>	<b>733,280</b>	<b>-</b>	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	SLFRP2169	-	3,616,411	3,616,411	2,612,943	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Dept of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	22-62420-001	3,967,309	-	3,967,309	-	1,2,3, 6
<b>Total CFDA 21.027:</b>				<b>3,967,309</b>	<b>3,616,411</b>	<b>7,583,720</b>	<b>2,612,943</b>	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18101	72,951	-	72,951	-	1,2,3, 6

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**Clallam County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18001	12,715	-	12,715	-	1,2,3, 6
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18001	74,818	-	74,818	-	1,2,3, 6
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18101	35,678	-	35,678	-	1,2,3, 6
<b>Total CFDA 66.123:</b>				<b>196,162</b>	<b>-</b>	<b>196,162</b>	<b>-</b>	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Ecology)	National Estuary Program	66.456	SEANWS-2021- CICoCD-00006	28,000	-	28,000	-	1,2,3, 6
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Beach Monitoring and Notification Program Implementation Grants	66.472	01J49701	6,430	-	6,430	-	1,2,3, 6
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA Office of Secretary of State)	2018 HAVA Election Security Grants	90.404	EAC1651DB20 20XX-2020- 61000001- 410001- EAC190800000 0	3,475	-	3,475	-	1,2,3, 6

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**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP22043	5,767	-	5,767	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Public Health Emergency Preparedness	93.069	NU90TP22043	17,776	-	17,776	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP22043	6,644	-	6,644	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP22043	1,244	-	1,244	-	1,2,3, 6
<b>Total CFDA 93.069:</b>				<b>31,431</b>	<b>-</b>	<b>31,431</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE00273 4	39,168	-	39,168	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE00273 4	8,659	-	8,659	-	1,2,3, 6
<b>Total CFDA 93.136:</b>				<b>47,827</b>	<b>-</b>	<b>47,827</b>	<b>-</b>	

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**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	NH231P222619	20,583	-	20,583	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	NH231P222619	36,934	-	36,934	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	NH231P222619	195,266	-	195,266	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH231P00762	2,160	-	2,160	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH231P922619	11,998	-	11,998	-	5
<b>Total CFDA 93.268:</b>				<b>266,941</b>	<b>-</b>	<b>266,941</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NIJ50CK00051 5	10,242	-	10,242	-	1,2,3, 6

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**Clallam County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	22,527	-	22,527	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	238,937	-	238,937	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	40,931	-	40,931	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	52,117	-	52,117	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	81,158	-	81,158	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via Wa Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	743,850	-	743,850	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (Via WA Dept of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N5OCK000515	1,734	-	1,734	-	1,2,3, 6

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**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			<b>Total CFDA 93.323:</b>	<b>1,191,496</b>	<b>-</b>	<b>1,191,496</b>		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Kitsap County Public Health)	National and State Tobacco Control Program	93.387	KPHD 2181	6,876	-	6,876	-	1,2,3, 6
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DSHS)	Child Support Enforcement	93.563	75-1501-0-1- 609	209,787	-	209,787	-	1,2,3, 6
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DSHS)	Child Support Enforcement	93.563	75-1501-0-1- 609	16,940	-	16,940	-	1,2,3, 6
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DSHS)	Child Support Enforcement	93.563	75-1501-0-1- 609	56,216	-	56,216	-	1,2,3, 6
			<b>Total CFDA 93.563:</b>	<b>282,943</b>	<b>-</b>	<b>282,943</b>		
<b>Medicaid Cluster</b>								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via MMA Health Care Authority)	Medical Assistance Program	93.778	21-05WA5ADM	122,761	-	122,761	-	1,2,3, 6

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**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via MMA Health Care Authority)	Medical Assistance Program	93.778	02-68-MAA	4,523	-	4,523	-	1,2,3, 6
<b>Total Medicaid Cluster:</b>				<b>127,284</b>	<b>-</b>	<b>127,284</b>	<b>-</b>	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Peninsula Community Health)	Opioid STR	93.788	2020-013- CCHHS	35,289	-	35,289	-	1,2,3, 6
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA HCA)	COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08T1083519	59,260	-	59,260	-	1,2,3, 6
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept Health)	Maternal and Child Health Services Block Grant to the States	93.994	B0440169	33,911	-	33,911	-	1,2,3, 6
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept Health)	COVID 19 - Maternal and Child Health Services Block Grant to the States	93.994	B0440169	1,739	-	1,739	-	1,2,3, 6
<b>Total CFDA 93.994:</b>				<b>35,650</b>	<b>-</b>	<b>35,650</b>	<b>-</b>	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Rec Commission)	Boating Safety Financial Assistance	97.012	3320FAS20015 3	15,873	-	15,873	-	1,2,3, 6

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

**Clallam County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4481-DR -WA	129,888	-	129,888	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	COVID 19 - Emergency Management Performance Grants	97.042	EMS-2020-EP- 00009-S01	17,499	-	17,499	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	EMS-2020-EP- 00002-S01	24,541	-	24,541	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	COVID 19 - Emergency Management Performance Grants	97.042	EMS-2020-EP- 00002-S01	9,636	-	9,636	-	1,2,3, 6
<b>Total CFDA 97.042:</b>				<b>51,676</b>	<b>-</b>	<b>51,676</b>	<b>-</b>	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2018-SS- 00088-S01	12,013	-	12,013	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2019-SS- 00044-S01	37,876	-	37,876	-	1,2,3, 6

The accompanying notes are an integral part of this schedule.

**Clallam County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2020-SS- 00080	3,600	-	3,600	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2017-SS- 00101-S01	60,356	-	60,356	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2018-SS- 00088-S01	177,370	-	177,370	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2019-SS- 00044-S01	175,777	-	175,777	-	1,2,3, 6
<b>Total CFDA 97.067:</b>				<b>466,992</b>	<b>-</b>	<b>466,992</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>9,182,587</b>	<b>3,704,043</b>	<b>12,886,630</b>	<b>2,614,444</b>	

The accompanying notes are an integral part of this schedule.

Clallam County

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the Clallam County's financial statements. The County uses the cash basis of accounting.

Note 2 – Federal De Minimis Indirect Cost Rate

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

Note 3 – Federal Indirect Cost Rate(s)

The amount expended includes amounts claimed as an indirect cost recovery using an approved indirect cost rate of 33.33% percent.

Note 4 – Revolving Loan – Program Income

The County has a revolving loan program for low income housing renovation. Under this federal program, repayments to the County are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$-0- and is presented in this Schedule. The amount of principal and interest received in loan repayments for the year was \$40,262.

Note 5 – Noncash Awards

The amount of vaccine reported on the Schedule is the value of vaccine received by the county during current year and priced as prescribed by the Federal and State agencies.

#### Note 6 – Program Costs

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

#### Note 7 – Donated PPE

The County received donations of PPE from the State of Washington Military Department purchased with federal funds. The unaudited value of the PPE as determined by the State was \$92,739. Donations were distributed at no cost to local hospitals, senior care facilities, first responder agencies and other health care and public health service providers experiencing shortages due to procurement challenges during the COVID-19 emergency.

#### Note 8 – Expenditures from Previous Reporting Year

The County found expenditures for the WIC Farmer's Market grant were not previously reported on the 2020 SEFA. The amount of \$555 is immaterial and therefore has been included in the 2021 SEFA.

#### Note 9 – Additional Funds Awarded

During the 2021 closing of the WSDOT Ward Bridge Scour Repair grant, WSDOT awarded additional funding to cover expenditures from prior years not previously reported. As a result, these prior years' expenditures totaling \$108,320 are being included in the 2021 SEFA.

Note 10 – Expenditures from 2019 and 2020 Reporting Years

The County has found expenditures not reported from prior years for the Patrick Leahy Bulletproof Vest Partnership. Expenditures were for report year 2019 and 2020 in the amounts of \$7,038 and \$12,925, respectively. These amounts were deemed immaterial and therefore are being included in the 2021 SEFA.

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

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