



Office of the Washington State Auditor
Pat McCarthy

**Financial Statements and Federal Single Audit
Report**
Clallam County

For the period January 1, 2019 through December 31, 2019

Published December 21, 2020

Report No. 1027515





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

December 21, 2020

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,

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Clallam County January 1, 2019 through December 31, 2019

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 deficiencies that we consider to be material weaknesses.

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
10.665	Forest Service Schools and Roads Cluster – Schools and Roads - Grants to States
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

See Finding 2019-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Clallam County

January 1, 2019 through December 31, 2019

2019-001 The County did not have adequate internal controls over financial statement preparation to ensure accurate and reliable financial reporting.

Background

County management is responsible for designing, implementing and maintaining internal controls to ensure the financial statements are fairly presented and to provide reasonable assurance regarding the reliability of financial reporting. The County prepares its financial statements using the cash basis of accounting, under the *Budgeting, Accounting and Reporting System (BARS) Manual*.

Our audit identified deficiencies in internal controls over financial reporting when implementing BARS Manual changes. We consider this deficiency to be a material weakness.

Governmental Auditing Standards, prescribed by the Comptroller General of the United States, requires the auditor to communicate a material weakness in internal controls, as defined in the Applicable Laws and Regulations section below, as a finding.

Description of Condition

The financial statements, as initially submitted for audit, implemented the 2019 BARS Manual change for classifying fiduciary activity. Those changes included new criteria for determining which activities should be reported as fiduciary and required related investments to be reported in Investment Trust Funds.

The County correctly determined which activities should be reported as fiduciary. However, the County reported cash and investments of its special purpose districts with investments in both the External Investment Pool fund and the Custodial fund. The special purpose districts' investments should have been reported only in the Investment Trust fund, and the cash should have been reported only in the Custodial fund. Our audit noted a deficiency in internal controls over the County's process to follow up on unusual items in the financial statements.

Cause of Condition

The County researched the new requirements, took relevant training, and devoted time to review their funds for proper classification. However, it ultimately incorrectly implemented changes to reporting for the investment trust fund.

Effect of Condition

Ending Cash and Investments was over-reported by \$52,899,852 on the Statement of Fiduciary Resources and Uses Arising from Cash Transactions.

The Governmental Accounting Standards Board (GASB) provided an extension to the implementation of specific guidance, which affected the timing of changes required by the BARS Manual. The County corrected the financial statements by deferring implementation of the related BARS changes on the final version of the financial statements.

Recommendations

We recommend the County continue to research BARS Manual changes and updates and attend relevant training. We also recommend the County use available resources to make sure it has considered all relevant information regarding future implementation of BARS Manual changes and updates.

County's Response

In preparation for implementation of the BARS changes related to the reclassification of fiduciary activities, the County's finance and accounting personnel referred to available guidance in the BARS Cash Manual on this topic as well as sought available training on this topic to gain additional implementation guidance. Members of the finance team attended a non-SAO annual financial reporting training class for preparation of the 2019 annual report where implementation guidance of these new fiduciary activity requirements was a topic. Unfortunately, based on information presented during this training, the County's understanding of how the breakout of cash and investments between the special purpose districts' and the External Investment Pool/Investment Trust Fund was not wholly correct. While the County finance team appropriately reclassified fiduciary activities correctly according to the new requirements, the separation of investment activity to the Investment Trust Fund was incorrectly implemented as the County relied on some faulty information from the training regarding how the Investment Trust Fund reported investment amounts would ultimately be reflected in the C-5 "Statement of Fiduciary Resources and Uses Arising from Cash Transactions" relative to the special purpose districts' fiduciary activities reported within their respective custodial funds.

At the time the 2019 financial report was being prepared, the focus of many key members of the County's finance group was increasingly being diverted to respond to the operational and financial challenges and demands related to the COVID-19 pandemic. In addition, these key members were supporting the County's rapid response in planning the allocation of CARES funds to combat the public health and economic impacts of COVID-19 on the County, as well as on the communities, small businesses, and non-profits within the County. Needless to say these competing demands, coupled with the operational challenges of COVID-19 on our County's finance team and our reliance on certain information presented from the aforementioned training that proved inaccurate, together contributed to this error not being appropriately followed up on by the County's finance staff through inquiry of the SAO's Help Desk when the C-5 was being reviewed and the issue being noticed.

The County takes its responsibilities seriously as it relates to insuring that the proper internal controls are in place over its financial statement preparation processes to insure that its financial statements are fairly presented, free of material misstatement, and in compliance with the BARS Cash Manual. 2020 was an extraordinarily challenging year for the County, including its finance and accounting personnel, and unfortunately the combination of these challenges along with other events as outlined, hindered our ability to insure the successful implementation of this new fiduciary activity reporting requirement. The County's finance and accounting team will certainly endeavor to continue to seek additional implementation guidance and training as it becomes available on this topic and for future BARS updates to help insure that future implementations of this and other BARS accounting and reporting updates changes are properly completed.

Auditor's Remarks

We appreciate the County's commitment to strengthening its procedures and thank the County for its cooperation and assistance during the audit. We are committed to providing any help we can to ensure strong control systems are in place.

Applicable Laws and Regulations

Government Auditing Standards, December 2011 Revision, paragraph 4.23 establishes reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud or abuse, and noncompliance with provisions of law, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing

Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200, Local government accounting – Uniform system of accounting.

The *Budgeting, Accounting, and Reporting System* (BARS) manual, 3.1.7.50, Types of Funds states Code 600-609 Investment Trust Funds – should be used to report fiduciary activities from the external portion of investment pools and individual investment accounts that are held in a trust or equivalent that meets the criteria above.

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

**Clallam County
January 1, 2019 through December 31, 2019**

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, 2019, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated December 14, 2020.

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.

As discussed in Note 11 to the financial statements, during the year ended December 31, 2019, the County adopted new accounting guidance for presentation and disclosure of postemployment benefits other than pensions, as required by the BARS manual.

As discussed in Note 12 to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the County. Management's plans in response to this matter are also described in Note 12.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Audit Findings and Responses as Finding 2019-001 to be a material weakness.

COMPLIANCE AND OTHER MATTERS

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

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

COUNTY'S RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Pat McCarthy
State Auditor
Olympia, WA

December 14, 2020

**INDEPENDENT AUDITOR'S 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, 2019 through December 31, 2019**

Board of Commissioners
Clallam County
Port Angeles, Washington

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

We have audited the compliance of Clallam County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Other Matters

We noted certain matters that we have reported to the management of the County in a separate letter dated December 14, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We noted certain matters that we have reported to the management of the County in a separate letter dated December 14, 2020.

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.



Pat McCarthy
State Auditor
Olympia, WA

December 14, 2020

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Clallam County January 1, 2019 through December 31, 2019

Board of Commissioners
Clallam County
Port Angeles, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Clallam County, for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 20.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of Clallam County, and its changes in cash and investments, for the year ended December 31, 2019, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the County used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clallam County, as of December 31, 2019, or the changes in

financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Matters of Emphasis

As discussed in Note 11 to the financial statements, in 2019, the County adopted new accounting guidance for presentation and disclosure of postemployment benefits other than pensions, as required by the BARS manual. Our opinion is not modified with respect to this matter.

As discussed in Note 12 to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the County. Management’s plans in response to this matter are also described in Note 12. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant

agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy
State Auditor
Olympia, WA

December 14, 2020

FINANCIAL SECTION

Clallam County January 1, 2019 through December 31, 2019

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2019
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2019
Notes to Financial Statements – 2019

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2019
Schedule of Expenditures of Federal Awards – 2019
Notes to Schedule of Expenditures of Federal Awards – 2019

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		Total for All Funds (Memo Only)	001 General	101 Roads	110 OPSCAN Operations
Beginning Cash and Investments					
30810	Reserved	1,000,000	1,000,000	-	-
30880	Unreserved	43,752,610	12,507,161	10,155,906	812,098
388 / 588	Net Adjustments	2,847,130	66,899	117,318	97,288
Revenues					
310	Taxes	36,567,937	20,465,738	7,970,866	682,983
320	Licenses and Permits	1,058,360	1,018,749	37,586	-
330	Intergovernmental Revenues	13,476,038	5,289,309	4,816,560	388,397
340	Charges for Goods and Services	15,512,539	7,460,575	190,487	459,722
350	Fines and Penalties	963,830	956,293	-	7,536
360	Miscellaneous Revenues	4,316,138	2,563,682	642,824	60,396
Total Revenues:		71,894,842	37,754,346	13,658,323	1,599,034
Expenditures					
510	General Government	17,108,222	14,154,621	309,820	-
520	Public Safety	17,955,831	14,499,611	800,000	1,502,985
530	Utilities	674,238	-	-	-
540	Transportation	14,270,228	-	11,965,021	-
550	Natural and Economic Environment	4,451,631	2,371,885	96,362	-
560	Social Services	6,795,064	1,898,743	-	-
570	Culture and Recreation	3,056,106	2,990,389	-	-
Total Expenditures:		64,311,320	35,915,249	13,171,203	1,502,985
Excess (Deficiency) Revenues over Expenditures:		7,583,522	1,839,097	487,120	96,049
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	77,450	-	-	-
397	Transfers-In	1,296,889	132,017	300,000	60,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	100,611	97,670	-	-
381, 382, 395, 398	Other Resources	1,654,975	665,105	741,145	-
Total Other Increases in Fund Resources:		3,129,925	894,792	1,041,145	60,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	10,502,304	434,035	6,313,824	87,420
591-593, 599	Debt Service	108,622	-	-	-
597	Transfers-Out	1,296,889	534,757	1,291	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	151,327	-	116,060	-
Total Other Decreases in Fund Resources:		12,059,142	968,792	6,431,175	87,420
Increase (Decrease) in Cash and Investments:		(1,345,695)	1,765,097	(4,902,910)	68,629
Ending Cash and Investments					
5081000	Reserved	1,176,292	1,000,000	-	-
5088000	Unreserved	45,077,753	14,339,157	5,370,314	978,015
Total Ending Cash and Investments		46,254,045	15,339,157	5,370,314	978,015

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, 2019

		<u>113 Health & Human Services</u>	<u>114 Law Library</u>	<u>117 Crime Victim</u>	<u>119 Racketeering</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	4,221,541	49,717	130,903	1,806
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,677,850	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	2,280,033	-	80,692	-
340	Charges for Goods and Services	815,779	32,842	73,373	-
350	Fines and Penalties	-	-	1	-
360	Miscellaneous Revenues	5,239	6	-	38
Total Revenues:		<u>4,778,901</u>	<u>32,848</u>	<u>154,066</u>	<u>38</u>
Expenditures					
510	General Government	-	-	138,754	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	4,706,795	-	-	-
570	Culture and Recreation	-	65,717	-	-
Total Expenditures:		<u>4,706,795</u>	<u>65,717</u>	<u>138,754</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		72,106	(32,869)	15,312	38
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	77,450	-	-	-
397	Transfers-In	3,200	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	2,608	-
381, 382, 395, 398	Other Resources	13,318	-	-	-
Total Other Increases in Fund Resources:		<u>93,968</u>	<u>-</u>	<u>2,608</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,298	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>2,298</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>163,776</u>	<u>(32,869)</u>	<u>17,920</u>	<u>38</u>
Ending Cash and Investments					
5081000	Reserved	176,292	-	-	-
5088000	Unreserved	4,209,025	16,848	148,823	1,844
Total Ending Cash and Investments		<u>4,385,317</u>	<u>16,848</u>	<u>148,823</u>	<u>1,844</u>

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, 2019

		122 Treasurer's O&M	124 Document Preservation	129 Dispute Resolution Center	130 Noxious Weed Control
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	296,328	527,571	1,676	365,648
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	10,945	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	11,908	53,268	-	17,028
340	Charges for Goods and Services	65,795	45,190	20,520	73,154
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	3,609	-	-	107,751
Total Revenues:		<u>92,257</u>	<u>98,458</u>	<u>20,520</u>	<u>197,933</u>
Expenditures					
510	General Government	87,752	86,220	20,450	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	226,496
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>87,752</u>	<u>86,220</u>	<u>20,450</u>	<u>226,496</u>
Excess (Deficiency) Revenues over Expenditures:		4,505	12,238	70	(28,563)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	639	-	-	-
Total Other Increases in Fund Resources:		<u>639</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>5,144</u>	<u>12,238</u>	<u>70</u>	<u>(28,563)</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	301,472	539,809	1,746	337,085
Total Ending Cash and Investments		<u>301,472</u>	<u>539,809</u>	<u>1,746</u>	<u>337,085</u>

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, 2019

		135 Probation DC I	191 Emergency Communication Tax	192 Hotel/Motel Tax	193 Trial Court Improvements
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	92,017	-	-	-
388 / 588	Net Adjustments	-	1,568,447	895,559	66,276
Revenues					
310	Taxes	-	1,449,732	991,608	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	36,490
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	36,734	940	-
Total Revenues:		-	1,486,466	992,548	36,490
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	1,153,235	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	836,950	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,153,235	836,950	-
Excess (Deficiency) Revenues over Expenditures:		-	333,231	155,598	36,490
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	92,017	-	-	40,000
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		92,017	-	-	40,000
Increase (Decrease) in Cash and Investments:		(92,017)	333,231	155,598	(3,510)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	-	1,901,678	1,051,157	62,766
Total Ending Cash and Investments		-	1,901,678	1,051,157	62,766

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, 2019

		<u>194 Veterans' Relief</u>	<u>195 Federal Forest Replacement</u>	<u>199 Opportunity Fund</u>	<u>274 RID #149</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	-	-	5,579,433	522
388 / 588	Net Adjustments	223,970	47,876	(2,802,128)	30,358
Revenues					
310	Taxes	102,669	-	1,343,730	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	8	8,914	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	5,764	-	82,495	1,136
Total Revenues:		<u>108,441</u>	<u>8,914</u>	<u>1,426,225</u>	<u>1,136</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	24,280	-
560	Social Services	189,526	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>189,526</u>	<u>-</u>	<u>24,280</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(81,085)</u>	<u>8,914</u>	<u>1,401,945</u>	<u>1,136</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	14,000	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	5,994	-	-	-
Total Other Increases in Fund Resources:		<u>5,994</u>	<u>-</u>	<u>14,000</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	108,100	522
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>108,100</u>	<u>522</u>
Increase (Decrease) in Cash and Investments:		<u>(75,091)</u>	<u>8,914</u>	<u>1,307,845</u>	<u>614</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	148,879	56,790	4,085,150	31,494
Total Ending Cash and Investments		<u>148,879</u>	<u>56,790</u>	<u>4,085,150</u>	<u>31,494</u>

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, 2019

		<u>295 LID 2007-1</u>	<u>301 REET</u>	<u>302 REET 2</u>	<u>303 Lower Dungeness Floodplain</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	15,575	1,812,739	614,482	-
388 / 588	Net Adjustments	-	35,267	-	-
Revenues					
310	Taxes	-	935,909	935,907	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	449,426
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	4,094	34	-	-
Total Revenues:		<u>4,094</u>	<u>935,943</u>	<u>935,907</u>	<u>449,426</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	895,658
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>895,658</u>
Excess (Deficiency) Revenues over Expenditures:		<u>4,094</u>	<u>935,943</u>	<u>935,907</u>	<u>(446,232)</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	450,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	22,221	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>22,221</u>	<u>-</u>	<u>450,000</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	1,197,723	28,630	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	14,000	99,712	514,912	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	35,267	-	-
Total Other Decreases in Fund Resources:		<u>14,000</u>	<u>1,332,702</u>	<u>543,542</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(9,906)</u>	<u>(374,538)</u>	<u>392,365</u>	<u>3,768</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	5,669	1,473,468	1,006,847	3,768
Total Ending Cash and Investments		<u>5,669</u>	<u>1,473,468</u>	<u>1,006,847</u>	<u>3,768</u>

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, 2019

		305 Capital Projects	307 Capital Projects IT	308 Carlsborg Sewer Project	309 Carlsborg Water Mitigation
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	702,272	229,398	23,089	467,771
388 / 588	Net Adjustments	-	-	(23,089)	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	16,825	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	16,825	-	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	16,825	-	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	11,336	-	-	-
Total Other Increases in Fund Resources:		11,336	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	450,258	110,687	-	210,243
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		450,258	110,687	-	210,243
Increase (Decrease) in Cash and Investments:		(438,922)	(93,862)	-	(210,243)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	263,350	135,536	-	257,528
Total Ending Cash and Investments		263,350	135,536	-	257,528

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, 2019

		<u>402 Solid Waste</u>	<u>414 Clallam Bay Sewer</u>	<u>415 Clallam Bay Sewer Capital Replacement</u>	<u>424 Carlsborg Sewer</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	20,800	13,738	287,674	201,968
388 / 588	Net Adjustments	-	287,674	(287,674)	109,989
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	2,025
330	Intergovernmental Revenues	27,180	-	-	-
340	Charges for Goods and Services	36,356	313,742	-	112,118
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	720	9,379	-	40,250
Total Revenues:		<u>64,256</u>	<u>323,121</u>	<u>-</u>	<u>154,393</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	76,057	426,681	-	171,500
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>76,057</u>	<u>426,681</u>	<u>-</u>	<u>171,500</u>
Excess (Deficiency) Revenues over Expenditures:		(11,801)	(103,560)	-	(17,107)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,000	170,707	-	143,917
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>5,000</u>	<u>170,707</u>	<u>-</u>	<u>143,917</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	62,848	-	135,158
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>62,848</u>	<u>-</u>	<u>135,158</u>
Increase (Decrease) in Cash and Investments:		(6,801)	4,299	-	(8,348)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	13,999	305,711	-	303,609
Total Ending Cash and Investments		<u>13,999</u>	<u>305,711</u>	<u>-</u>	<u>303,609</u>

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, 2019

		425 Carlsborg Sewer Capital Replacement	503 ER & R	504 Risk Management	505 Workers' Compensation
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	86,900	2,653,500	647,999	1,010,590
388 / 588	Net Adjustments	(86,900)	-	1,000,000	1,500,000
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	3,485,725	1,990,995	312,548
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	687,553	30,203	33,291
Total Revenues:		-	4,173,278	2,021,198	345,839
Expenditures					
510	General Government	-	-	1,962,368	318,989
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	2,305,207	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	2,305,207	1,962,368	318,989
Excess (Deficiency) Revenues over Expenditures:		-	1,868,071	58,830	26,850
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	333	-	-
381, 382, 395, 398	Other Resources	-	195,217	-	-
Total Other Increases in Fund Resources:		-	195,550	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	1,469,180	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	200	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	1,469,380	-	-
Increase (Decrease) in Cash and Investments:		-	594,241	58,830	26,850
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	-	3,247,741	1,706,829	2,537,440
Total Ending Cash and Investments		-	3,247,741	1,706,829	2,537,440

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, 2019

		506 Employee Health Care Benefit	507 Unemployment Compensation
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	30,000	191,788
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	-	23,618
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	-
Total Revenues:		-	23,618
Expenditures			
510	General Government	18,048	11,200
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		18,048	11,200
Excess (Deficiency) Revenues over Expenditures:		(18,048)	12,418
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	18,048	-
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	-
381, 382, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		18,048	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	-	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581, 582	Other Uses	-	-
Total Other Decreases in Fund Resources:		-	-
Increase (Decrease) in Cash and Investments:		-	12,418
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	30,000	204,206
Total Ending Cash and Investments		30,000	204,206

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, 2019

	Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial	
308	Beginning Cash and Investments	64,915,114	2,609,904	62,305,210
388 & 588	Net Adjustments	(2,847,130)	(2,530,358)	(316,772)
310-390	Additions	261,803,127	6,746	261,796,381
510-590	Deductions	268,509,049	1,779	268,507,270
	Net Increase (Decrease) in Cash and Investments:	(6,705,922)	4,967	(6,710,889)
508	Ending Cash and Investments	55,362,062	84,513	55,277,549

The accompanying notes are an integral part of this statement.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

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 not presented using the classifications defined in 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.

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For the Year Ended December 31, 2019

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.

Private-Purpose Trust Funds

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

Custodial Funds

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

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.

H. Other Resources and Other Uses

Other Resources consist mainly of sales of County-owned timber and retainage deposits received. Other Uses consist mainly of retainage deposits disbursed.

I. Risk Management - See Note 9.

J. Reserved Portion of Ending Cash and Investments

At December 31, 2019, the Clallam County Board of Commissioners had reserved part of the general fund's ending fund balance as follows:

Insurance Deductible	500,000
Unemployment/Separation	<u>500,000</u>
Total	\$1,000,000

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

In addition the Developmental Disabilities fund had a restriction in its fund balance of \$176,292 for advances received from the Washington State Department of Health and Human Services.

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 2020 general fund budget as originally approved in December 2019 included a deficit of \$3,071,526.

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 179 times during 2019.

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
GENERAL FUND			
Assessor	1,687,706	1,610,575	77,131
Auditor	1,311,213	1,229,649	81,564
Treasurer	845,053	766,252	78,801
BOCC - Operations	758,932	539,344	219,588
Boundary Review Board	1,227	150	1,077
Port Crescent Cemetery	3,000	0	3,000
Board of Equalization	73,887	55,950	17,937
Non Departmental	2,371,621	2,180,470	191,151
Operating Transfers Out	571,493	-1,529,897	2,101,390
DCD - Administration	541,027	505,639	35,388
DCD - Environmental Quality	283,043	148,768	134,275

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

DCD - Permit Center	1,076,454	909,667	166,787
DCD - Planning	582,237	489,058	93,179
Hearing Examiner	85,000	54,930	30,070
Information Technology	1,978,239	1,849,112	129,127
Human Resources	601,297	420,658	180,639
Environmental Health	1,172,614	1,045,947	126,667
HHS - Administration	637,277	585,028	52,249
Sheriff - Operations	6,875,743	6,617,796	257,947
Sheriff - Community Projects	35,736	32,199	3,537
Animal Control	204,273	191,091	13,182
Search and Rescue	23,150	22,220	930
Jail	4,066,009	3,896,936	169,073
Jail Medical	780,740	669,134	111,606
Emergency Services	405,335	318,347	86,988
Indigent Defense	1,505,000	1,504,984	16
Prosecuting Attorney	2,778,510	2,641,258	137,252
Child Support	311,066	271,477	39,589
Coroner	151,800	148,746	3,054
Juvenile Services	3,652,245	3,265,925	386,320
Superior Court	1,690,049	1,420,854	269,195
District Court I	1,025,960	874,017	151,943
District Court II	373,965	328,253	45,712
Clerk	889,452	825,771	63,681
Parks and Facilities	2,397,814	2,310,033	87,781
Fair	433,116	417,726	15,390
WSU Extension	324,354	262,636	61,718
Flood Control	10,687	3,338	7,349
TOTAL GENERAL FUND	42,516,324	36,884,041	5,632,283
Roads	23,539,629	19,602,378	3,937,251
Honor Guard Donation	4,014	0	4,014
Boating Safety Recreational and Boating Fund	61,274	54,849	6,425
VRF Boating Program	47,246	14,491	32,755
Sheriff - Office Drug Fund	2,684	1,474	1,210
Sheriff - OPNET Drug	163,342	144,744	18,598
Nine-One-One Enhanced	807,263	771,922	35,341
OPSCAN Operations	484,304	345,889	138,415
Sheriff - Operation Stonegarden	411,127	219,619	191,508
24/7 Sobriety Program	55,279	4,054	51,225
Sheriff - Inmate Commissary and Welfare	61,520	33,362	28,158
Health and Human Services - Operations	1,793,837	1,530,769	263,068
Homeless Task Force	624,291	524,981	99,310
Chemical Dependency Mental Health	1,693,049	942,844	750,205
Affordable Housing	100,000	57,623	42,377
Developmental Disabilities	1,794,610	1,652,877	141,733
Law Library	70,480	65,717	4,763
Local Crime Victim Comp/Local	145,465	138,754	6,711
Treasurer - Operation and Maintenance	120,494	71,560	48,934
REET Electronic Technology	4,851	2,851	2,000
Land Assessment	16,468	13,342	3,126
Document Preservation	91,329	86,220	5,109
Dispute Resolution	15,135	12,710	2,425
Courthouse Facilitator	8,520	7,740	780
Noxious Weed Control	246,085	205,122	40,963

Clallam County
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LMD#2 Lake Sutherland	22,074	21,375	699
Probation District Court I	95,000	92,017	2,983
Trial Court Improvements	40,000	40,000	0
Veterans Relief	265,416	189,526	75,890
Federal Forest Replacement	30,000	0	30,000
Hotel/Motel Tax	942,000	836,950	105,050
Opportunity Fund	151,131	132,380	18,751
Emergency Communication Tax	1,390,425	1,153,235	237,190
RID #149 Osborn Road	2,538	522	2,016
LID 3rd Street Sewer Line	14,000	14,000	0
Real Estate Excise Tax Project	1,899,276	1,332,701	566,575
Real Estate Excise Tax 2	1,131,000	543,542	587,458
Lwr Dungeness Floodplain	3,468,102	895,658	2,572,444
Capital Projects	615,000	450,258	164,742
Capital Projects Info Tech	252,375	110,687	141,688
Carlsborg Water Mitigation	300,000	210,242	89,758
Solid Waste	92,795	76,056	16,739
Clallam Bay-Sekiu Sewer	845,039	489,529	355,510
Carlsborg Sewer	480,514	306,658	173,856
Equipment Rental and Revolving	5,243,914	3,774,587	1,469,327
Risk Management	2,132,083	1,962,368	169,715
Workers Compensation Claims	732,662	318,989	413,673
Employee Health Care Benefit	36,925	18,048	18,877
Unemployment Compensation	35,040	11,201	23,840
TOTAL OTHER COUNTY FUNDS	52,579,605	39,486,421	13,093,184

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. As of December 31, 2019 the County had the following deposits and investments:

	County Owned Deposits & Investments	Deposits & Investments Held by County as Custodian	Total
Bank Deposits	\$ 1,317,915	\$ 1,071,345	\$ 2,389,260
Certificates of Deposit	37,500,904	4,614,266	42,115,170
US Government Securities	-	-	-
State Local Government Investment Pool	7,435,226	49,676,451	57,111,677
Total	\$ 46,254,045	\$ 55,362,062	\$ 101,616,107

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Notes to Financial Statements
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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.

NOTE 4 –PRIOR PERIOD ADJUSTMENTS

The County’s 2019 C-4 and C-5 reflect total net adjustments related to prior period adjustments of \$2,847,130 and (\$2,847,130), respectively. The prior period adjustments include:

- Re-characterizing of certain funds previously reported as fiduciary funds, with such funds being rolled into other existing non-fiduciary funds;
- Combining of certain related funds that had previously been reported separately, and
- Separately disclosing certain funds previously reported in aggregate.

These prior period adjustments resulted in adjustments being made to the 2019 beginning fund balance of the impacted funds. Below is a summary of net adjustments made by fund for the year ended December 31, 2019:

FUND #	FUND NAME	AMOUNT	REASON FOR PRIOR PERIOD ADJUSTMENT
001	General Fund	33,420	Due to re-characterizing Fund 697 Franchise Suspense and rolling up to Fund 001 General Fund
001	General Fund	14,586	Due to re-characterizing Fund 697 Western Cable Suspense and rolling up to Fund 001 General Fund
001	General Fund	18,893	Due to re-characterizing Fund 697 Heart O Hills Suspense and rolling up to Fund 001 General Fund
	Total General Fund	66,899	
101	Roads	117,318	Due to re-characterizing Fund 697 Retainage Suspense and rolling up respective amounts to Funds 101 Roads and 301 REET
110	OPSCAN Operations	97,045	Due to re-characterizing Fund 633 Sheriff Commissary & Welfare and rolling up to Fund 110 OPSCAN Operations
110	OPSCAN Operations	243	Due to re-characterizing Fund 633 Drug Task Force Suspense and rolling up to Fund 110 OPSCAN Operations
191	Emergency Communication Tax	1,568,447	Fund Previously Reported Under Fund 199 Opportunity Fund; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund

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Notes to Financial Statements
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FUND #	FUND NAME	AMOUNT	REASON FOR PRIOR PERIOD ADJUSTMENT
192	Hotel/Motel Tax	895,559	Fund Previously Reported Under Fund 199 Opportunity Fund; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
193	Trial Court Improvements	66,276	Fund Previously Reported Under Fund 199 Opportunity Fund; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
194	Veterans' Relief	223,970	Fund Previously Reported Under Fund 199 Opportunity Fund; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
195	Federal Forest Replacement	47,876	Fund Previously Reported Under Fund 199 Opportunity Fund; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
199	Opportunity Fund	(2,802,128)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Funds 191, 192, 193, 194, 195 previously rolled under 199 Opportunity Fund
274	RID #149	30,358	Due to re-characterizing Fund 629 RID Guarantee Trust rolling into Fund 274 RID #149
301	REET	35,267	Due to re-characterizing Fund 697 Retainage Suspense and rolling up respective amounts to Funds 101 Roads and 301 REET
308	Carlsborg Sewer Project	(23,089)	Combine 308 Carlsborg Sewer Project Fund with Fund 424 Carlsborg Sewer
414	Clallam Bay Sewer	287,674	Combine 415 Clallam Bay Sewer Capital Replacement Fund with Fund 414 Clallam Bay Sewer
415	Clallam Bay Sewer Capital Replacement	(287,674)	Combine 415 Clallam Bay Sewer Capital Replacement Fund with Fund 414 Clallam Bay Sewer
424	Carlsborg Sewer	23,089	Combine 308 Carlsborg Sewer Project Fund with Fund 424 Carlsborg Sewer
424	Carlsborg Sewer	86,900	Combine 425 Carlsborg Sewer Capital Replacement Fund with Fund 424 Carlsborg Sewer
425	Carlsborg Sewer Capital Replacement	(86,900)	Combine 425 Carlsborg Sewer Capital Replacement Fund with Fund 424 Carlsborg Sewer
504	Risk Management	1,000,000	Due to re-characterizing Fund 625 Risk Management Reserve and rolling into Fund 504 Risk Management
505	Workers' Compensation	1,500,000	Due to re-characterizing Fund 625 Workers' Comp Reserve and rolling into Fund 505 Workers' Compensation
	TOTAL-- STATEMENT C-4	2,847,130	
625	Risk Management Reserve	(1,000,000)	Due to re-characterizing Fund 625 Risk Management Reserve and rolling into Fund 504 Risk Management
625	Workers' Comp Reserve	(1,500,000)	Due to re-characterizing Fund 625 Workers' Comp Reserve and rolling into Fund 505 Workers' Compensation
629	RID Guarantee Trust	(30,358)	Due to re-characterizing Fund 629 RID Guarantee Trust and rolling into Fund 274 RID #149
633	Sheriff Commissary & Welfare	(97,045)	Due to re-characterizing Fund 633 Sheriff Commissary & Welfare and rolling up to Fund 110 OPSCAN Operations
633	Drug Task Force Suspense	(243)	Due to re-characterizing Fund 633 Drug Task Force Suspense and rolling up to Fund 110 OPSCAN Operations
651	Fire District 1	(6,858,378)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Funds 652, 653, 655, 656, 657 previously rolled under 651 Fire District 1
652	Fire District 2	1,335,763	Fund Previously Reported Under Fund 651 Fire District 1; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund

Clallam County
Notes to Financial Statements
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FUND #	FUND NAME	AMOUNT	REASON FOR PRIOR PERIOD ADJUSTMENT
653	Fire District 3	4,411,905	Fund Previously Reported Under Fund 651 Fire District 1; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
655	Fire District 5	177,748	Fund Previously Reported Under Fund 651 Fire District 1; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
656	Fire District 6	246,836	Fund Previously Reported Under Fund 651 Fire District 1; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
657	Fire District 4	686,126	Fund Previously Reported Under Fund 651 Fire District 1; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
665	Park & Rec Dist 1	33,563	Fund Previously Reported Under Fund 668 Quillayute Valley P&R Ops; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
667	William Shore Memorial Pool	7,860	Fund Previously Reported Under Fund 668 Quillayute Valley P&R Ops; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
668	Quillayute Valley P&R	(41,423)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Funds 665, 667 previously rolled under 668 Quillayute Valley P&R Ops
671	Agnew Irrigation District	(423,052)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Funds 672, 673, 674 previously rolled under 671 Agnew Irrigation District
672	Cline Irrigation District	126,806	Fund Previously Reported Under Fund 671 Agnew Irrigation District; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
673	Dungeness Irrigation District	98,906	Fund Previously Reported Under Fund 671 Agnew Irrigation District; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
674	Highland Irrigation District	197,340	Fund Previously Reported Under Fund 671 Agnew Irrigation District; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
677	Black Diamond Water District	(897,701)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Fund 678 previously rolled under 677 Black Diamond Water District
678	Sunland M&O	897,701	Fund Previously Reported Under Fund 677 Black Diamond Water District; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
681	School General--Port Angeles	(23,980,522)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Funds 682, 683, 684, 685 previously rolled under 681 School District 121--Port Angeles
682	School District 313--Crescent	2,206,510	Fund Previously Reported Under Fund 681 School District 121--Port Angeles; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
683	School District 323--Sequim	6,699,351	Fund Previously Reported Under Fund 681 School District 121--Port Angeles; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
684	School District 401--Cape Flattery	7,740,984	Fund Previously Reported Under Fund 681 School District 121--Port Angeles; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund

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Notes to Financial Statements
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FUND #	FUND NAME	AMOUNT	REASON FOR PRIOR PERIOD ADJUSTMENT
685	School District 402--Quillayute Valley	7,333,677	Fund Previously Reported Under Fund 681 School District 121--Port Angeles; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
686	City of Port Angeles	(73,749)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Funds 688, 689 previously rolled under 686 City of Port Angeles
688	City of Sequim	66,665	Fund Previously Reported Under Fund 686 City of Port Angeles; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
689	City of Forks	7,084	Fund Previously Reported Under Fund 686 City of Port Angeles; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
695	Hospital #1	(58,479)	Reclass Ending 2018 Balance to 2019 Beginning Balance of Fund 696 previously rolled under 695 Hospital #1
696	Hospital #2	58,479	Fund Previously Reported Under Fund 695 Hospital #1; Ending 2018 Balance transferred from prior fund to 2019 Beginning Balance of new fund
697	Franchise Suspense	(33,420)	Due to re-characterizing Fund 697 Franchise Suspense and rolling up to Fund 001 General Fund
697	Western Cable Suspense	(14,586)	Due to re-characterizing Fund 697 Western Cable Suspense and rolling up to Fund 001 General Fund
697	Heart O Hills Suspense	(18,893)	Due to re-characterizing Fund 697 Heart O Hills Suspense and rolling up to Fund 001 General Fund
697	Retainage Suspense	(152,585)	Due to re-characterizing Fund 697 Retainage Suspense and rolling up respective amounts to Funds 101 Roads and 301 REET
	TOTAL-- STATEMENT C-5	(2,847,130)	

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 2019 was \$1.218986466174 per \$1,000 on a total assessed valuation of \$9,041,260,634 for a regular levy total of \$11,021,174. The County's total 2019 levy rate of \$1.218986466174 was comprised of four funds: General at \$1.181536466174; Veterans' Relief at \$.01125; Land Assessment at \$.00120; and Developmental Disabilities at \$.02500.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

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, 2018 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$3,528. There were no new loans on this balance in 2019, and after payments of \$392 the balance at December 31, 2019 was \$3,136.

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, 2019. 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, 2019 the principal outstanding on this loan payable was \$279,304 due in annual payments of \$48,193.54 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, 2019, the County had received advances for the full amount of the loan, all of which is outstanding at December 31, 2019. The first accrued interest

Clallam County
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only payment of \$59,906 was paid on June 1, 2019, with principal and interest payments due each year thereafter beginning June 1, 2020 through June 1, 2048.

The total debt service requirements for these general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	390,228	27,793	418,021
2021	390,681	26,477	417,158
2022	391,141	25,157	416,298
2023	391,603	23,831	415,434
2024	392,072	22,501	414,573
2025-2029	1,771,854	95,305	1,867,159
2030-2034	1,724,138	73,275	1,797,413
2035-2039	1,724,137	51,725	1,775,862
2040-2044	1,724,138	30,172	1,754,310
2045-2048	1,379,313	8,620	1,387,933
TOTAL	<u>\$ 10,279,305</u>	<u>\$ 384,856</u>	<u>\$ 10,664,161</u>

The Clallam County Board of Commissioners has resolved to repay both of these 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.

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 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 30th of each year depending on DSHS’ assessment of funding need. As of December 31, 2018, the working advance outstanding with DSHS totaled \$98,842. The working advance was subsequently increased by \$77,450 during 2019, bringing total working advances outstanding from DSHS to \$176,292 as of December 31, 2019.

Clallam County
Notes to Financial Statements
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- 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, 2019. 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, 2019 was \$2,864,722 which was a decrease of \$119,386 from the end of 2018.
- 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, 2019, the current cost to decommission and remove these USTs is estimated to total approximately \$474,000.

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 and defined contribution retirement 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 comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

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For the Year Ended December 31, 2019

At June 30, 2019 the County’s employer contributions and proportionate share of the collective net pension liabilities as reported on Schedule 09 were as follows:

	Employer Contribution	Allocation %	Liability (Asset)
PERS 1	1,074,927	0.15%	5,764,610
PERS 2/3	1,362,887	0.17%	1,620,875
LEOFF 1	--	0.02%	(322,365)
LEOFF 2	164,790	0.09%	(2,070,637)
PSERS 2	133,661	0.41%	(53,920)

LEOFF 1

The County participates in LEOFF 1 which is fully funded. If the plan becomes underfunded, funding the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2019, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$25 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2019, Clallam County selects 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 2018-19, the Pool’s SIR was \$1,000,000 (for 2019-20, the Pool’s SIR increased to \$2,000,000). More recent years’ reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 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 \$2.5 million. 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 \$20 million (lowest reinsured layer), \$30 million, (second layer), and \$50 million (third 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 26 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 six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

During 2018-19, Clallam County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

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

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

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to a) approve all disbursements and review the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$50,000, c) review all claims with incurred loss estimates exceeding \$100,000, and d) evaluate the Pool's operations, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon.

During 2018-19, the WCRP's assets increased to \$60.6 million while its liabilities increased to \$40.6 million. The Pool's net position remained at \$19.8 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2019 was \$0. As such, there were no known contingent liabilities for disclosure by the member counties as of December 31, 2019.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

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 2019 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. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses.

NOTE 10 - CLAIMS AND JUDGMENTS

Clallam County is named as the defendant in four legal actions as of the end of 2019 of which two 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 2019.

NOTE 11 – OPEB PLAN—LEOFF 1

During the year ended December 31, 2019, the County adopted guidance for the presentation and disclosure of post-employment benefits other than pensions (“OPEB”) as required by the BARS manual. This requirement resulted in the addition of an OPEB liability being reported on the Schedule of Liabilities for the year ended December 31, 2019.

The County's OPEB liability 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, 2019, the County's plan had eight members, all of which are retirees. As of December 31, 2019, the County's total OPEB liability was \$3,741,519, as calculated using the alternative measurement method online tool available through the Office of the Washington State Actuary. For the year ended December 31, 2019, the County paid total medical costs for the members of \$37,650. In addition, the County also paid \$34,911 in medical

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

insurance premiums for five of these retired employees in 2019. Only LEOFF 1 employees are eligible for this benefit.

NOTE 12 – SUBSEQUENT EVENT

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 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.

As a result of the public health emergency, economic activity within the County was severely adversely impacted beginning in March 2020, leading to a rise in the County's reported unemployment rate to 18.8% in April, 16.5% in May, 10.6% in June, 11.9% in July, 9.5% in August, and 8.4% in September. Several of the County's key economic-activity driven sources of revenue were significantly adversely impacted beginning in the 2nd quarter of 2020, most notably the County's sales and use tax-based revenue streams, gas taxes, lodging taxes, interest income, park and fair usage revenues due to campground closures and cancellation of the County's fair, permit-based fees and licensing, fines and penalties, jail services revenue derived from certain State agencies, and others. Certain revenue streams, including sales and use tax-based revenues, subsequently rebounded later in 2020 as phased business re-openings were allowed to occur and as significant economic stimulus provided by the Federal government in the form of federal stimulus payments, forgivable loan programs and increased federal unemployment benefits were made available to those residents and businesses impacted by the COVID-19 emergency.

In addition to the adverse revenue impact of the COVID pandemic, the County has incurred significant additional unbudgeted expenditures relating to its emergency response to the COVID pandemic. During 2020, the County was awarded a total of \$5.7 million by the Washington State Department of Commerce of federal Coronavirus Relief Funds under the federal CARES Act that may be used to reimburse eligible costs incurred by the County due to the COVID-19 public health emergency. Based on input solicited by the Board of County Commissioners from multiple task groups created to identify community needs created during the COVID-19 emergency that would be eligible for assistance under the CARES Act, the County Board of Commissioners approved allocation of CARES funds awarded to the County to provide assistance in the following areas:

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

- Economic support assistance provided to small businesses and non-profit organizations financially impacted by the COVID-19 emergency due to business closures, reduced business capacity created by new COVID public health requirements, event cancellations, reduced tourism, increased COVID-related health compliance costs, and other business disruption issues created by the COVID-19 emergency;
- Childcare assistance provided to agencies supporting the increased need for childcare in the County during the COVID emergency and resulting school closures;
- Residential mortgage, rent, utility and other assistance to County residents financially impacted by the COVID-19 emergency due to job loss, reduction of work hours, quarantine, illness or other circumstances;
- Food security economic support to various food bank agencies in the County to support the significant increase in food assistance relief being provided to households during the COVID-19 emergency; and
- Homeless assistance provided to support the increased costs incurred by the County's lead homeless shelter in providing expanded shelter hours of operation and meal assistance to the homeless during the COVID-19 emergency.

A portion of the CARES funds was also allocated to reimburse the County for certain CARES-eligible expenditures it incurred during the COVID-19 emergency that were not already funded through identified grants or reimbursable under FEMA and other programs. These costs included eligible salary and benefit costs of public health and public safety personnel substantially dedicated to the County's COVID-19 response, COVID-19 testing and personal protective equipment costs, public safety measures undertaken within the County's facilities and parks to prevent the transmission of COVID-19, information technology infrastructure costs incurred to support the telework capabilities of County staff during the COVID-19 emergency, COVID-related paid leave costs incurred, public and business outreach campaigns to support awareness and adherence to public safety guidelines and provide guidance during phase reopening of businesses, and other costs. The County expects to fully utilize the CARES funds awarded to it in 2020.

The County's Health and Human Services fund was also awarded \$1.52 million of CARES funds through the Washington State Department of Health to support public health efforts during the COVID-19 emergency, including funding along with other grants the opening and operation of an isolation shelter by the County to provide additional sheltering capacity for those experiencing homelessness or who otherwise need sheltering while quarantined. This isolation shelter opened in April 2020 and is expected to be operated through May 2021.

As a precautionary cost savings measure, the County instituted a hiring freeze in late March 2020 for non-essential positions that continued through much of 2020. While management believes the County has sufficient funding available through the CARES Act award, grant assistance through FEMA and other sources, and its current fund reserves to absorb the revenue and expenditure impacts of the COVID-19 public health emergency in 2020 and continuing into 2021, in the event economic conditions worsen considerably beyond current expectations for the remainder of 2020 and in 2021, or if the County is required to incur significantly higher COVID-

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2019

19 related costs beyond those contemplated in the 2021 budget for which no further grant or additional CARES assistance is made available to fund, further cost reduction actions, including reductions in personnel costs, services and capital projects, may need to be taken.

**Clallam County
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	Washington State CERB Loan	6/1/2025	324,255	-	44,951	279,304
263.81	Washington State PWB Loan	6/1/2048	10,000,001	-	-	10,000,001
263.83	Working Advance from Department of Social and Health Services	6/30/2020	-	176,292	-	176,292
Total General Obligation Debt/Liabilities:			10,324,256	176,292	44,951	10,455,597
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensation Absences		2,984,108	-	119,386	2,864,722
263.99	Asset Retirement Obligations		-	474,000	-	474,000
264.30	Pension Obligations		9,934,715	-	2,549,230	7,385,485
264.40	OPEB Obligations		-	3,741,519	-	3,741,519
Total Revenue and Other (non G.O.) Debt/Liabilities:			12,918,823	4,215,519	2,668,616	14,465,726
Total Liabilities:			23,243,079	4,391,811	2,713,567	24,921,323

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

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		
Child Nutrition Cluster								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept Public Instruction)	National School Lunch Program	10.555	Agreement #051219761	20,604	-	20,604	-	1,2,4
Total Child Nutrition Cluster:				20,604	-	20,604	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18239	5,918	-	5,918	-	1,2,4
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18239	214,357	-	214,357	-	1,2,4
Total CFDA 10.557:				220,275	-	220,275	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	CLH18239	615	-	615	-	1,2,4
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Grants To States (WGS)	10.578	CLH18239	1,120	-	1,120	-	1,2,4
Forest Service Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via US Forest Service)	Schools and Roads - Grants to States	10.665	FS18-PA- 11060900-005	411,718	-	411,718	-	1,2,4
Total Forest Service Schools and Roads Cluster:				411,718	-	411,718	-	

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	F17-31219-505	131,648	-	131,648	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	19-31101- 504/20-31101- 504	63,227	-	63,227	-	1,2,4
			Total CFDA 16.575:	194,875	-	194,875	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA State Dept Commerce/US Justice)	Violence Against Women Formula Grants	16.588	F18-31103-043	14,844	-	14,844	-	1,2,4
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	F18-31103-042	16,311	-	16,311	-	1,2,4
			Total CFDA 16.588:	31,155	-	31,155	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via US Bureau of Justice Assistance)	Bulletproof Vest Partnership Program	16.607	2019BUBX1900 1088	5,750	-	5,750	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F17-31440-003	54,659	-	54,659	-	1,2,4
Highway Planning and Construction Cluster								

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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 FHWA/Bridge Rehab)	Highway Planning and Construction	20.205	BHS-Q054 (002) LA7394	1,110,202	-	1,110,202	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via FHWA)	Highway Planning and Construction	20.205	LA7665	43,272	-	43,272	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via FHWA)	Highway Planning and Construction	20.205	LA9279	356,340	-	356,340	-	1,2,4, 5
Total Highway Planning and Construction Cluster:				1,509,814	-	1,509,814	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WASPC; US/DOT Nat'l Hwy Traffic Safety)	State and Community Highway Safety	20.600	N/A	5,900	-	5,900	-	1,2,4
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WTSC; US/DOT Nat'l Hwy Traffic Safety)	State and Community Highway Safety	20.600	2019-HVE-3425 -Clallam	2,630	-	2,630	-	1,2,4
Total Highway Safety Cluster:				8,530	-	8,530	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2019-AG-2771- Clallam	36,119	-	36,119	-	1,2,4

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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 HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2020-AG-3600- Clallam	4,764	-	4,764	-	1,2,4
			Total CFDA 20.608:	40,883	-	40,883	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18239	1,963	-	1,963	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18239	27,413	-	27,413	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18239	93,747	-	93,747	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18239	40,440	-	40,440	-	1,2,4
			Total CFDA 66.123:	163,563	-	163,563	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Beach Monitoring and Notification Program Implementation Grants	66.472	CLH18239	4,458	-	4,458	-	1,2,4

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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	CLH18239	28,472	-	28,472	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	CLH18239	2,879	-	2,879	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	CLH18239	11,056	-	11,056	-	1,2,4
Total CFDA 93.069:				42,407	-	42,407	-	
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Assoc of Food & Drug Officials)	Food and Drug Administration Research	93.103	G-T-1810- 06812	2,864	-	2,864	-	1,2,4
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	CLH18239	13,290	-	13,290	-	1,2,4
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	CLH18239	11,779	-	11,779	-	1,2,4

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH18239	24,068	-	24,068	-	1,2,4
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	CLH18239	83,852	-	83,852	-	1,2,4
Total CFDA 93.136:				132,989	-	132,989	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Health Care Authority)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1563-51879 Amendment No 05	22,597	-	22,597	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	CLH18239	989	-	989	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HHS CDC)	Immunization Cooperative Agreements	93.268	n/a	30,674	-	30,674	-	3
Total CFDA 93.268:				31,663	-	31,663	-	

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via FED admin for child&fam/DHS)	Child Support Enforcement	93.563	1463-99072	184,710	-	184,710	-	1,2,4
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	1663-67330	18,681	-	18,681	-	1,2,4
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	2110-80577	57,432	-	57,432	-	1,2,4
Total CFDA 93.563:				260,823	-	260,823	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Kitsap County Health Dist)	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	KPHD 1848 - KPHD 1708	1,255	-	1,255	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Kitsap Co Health Dept)	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	KPHD 1848 - KPHD 1708	2,984	-	2,984	-	1,2,4
Total CFDA 93.758:				4,239	-	4,239	-	
Medicaid Cluster								

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Health Care Authority)	Medical Assistance Program	93.778	02-68-MAA	23,729	-	23,729	-	1,2,4
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Health Care Authority)	Medical Assistance Program	93.778	K3061	39,259	-	39,259	-	1,2,4
Total Medicaid Cluster:				62,988	-	62,988	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Peninsula Community Health Services)	Opioid STR	93.788	2020-006- CCHHS 2018- 001-CCHHS	5,504	-	5,504	-	1,2,4
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Peninsula Community Health Services)	Opioid STR	93.788	2020-006- CCHHS 2018- 001-CCHHS	42,202	-	42,202	-	1,2,4
Total CFDA 93.788:				47,706	-	47,706	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18239	3,128	-	3,128	-	1,2,4

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18239	124	-	124	-	1,2,4
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18239	41,084	-	41,084	-	1,2,4
Total CFDA 93.994:				44,336	-	44,336	-	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA Parks & Rec)	Boating Safety Financial Assistance	97.012	3316FAS16015 3	21,221	-	21,221	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA Military Dept, FEMA)	Hazard Mitigation Grant	97.039	D17-008	44,808	-	44,808	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA Military Dept, US Dept HS)	Emergency Management Performance Grants	97.042	E19-170	26,483	-	26,483	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA Military Dept, US Dept HS)	Homeland Security Grant Program	97.067	E18-150	67,016	-	67,016	-	1,2,4

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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 Military Dept, US Dept HS)	Homeland Security Grant Program	97.067	E19-086	37,885	-	37,885	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA Military Dept)	Homeland Security Grant Program	97.067	E17-140	65,059	-	65,059	61,195	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA Military Dept)	Homeland Security Grant Program	97.067	E18-175	151,259	-	151,259	83,930	1,2,4
Total CFDA 97.067:				321,219	-	321,219	145,125	
Total Federal Awards Expended:				3,734,362	-	3,734,362	145,125	

The accompanying notes are an integral part of this schedule.

CLALLAM COUNTY

Notes to Schedule 16

For the Year Ended December 31, 2019

Note 1 - Basis of Accounting

The Schedule of Financial Assistance is prepared on the same basis as the county's financial statement. The county uses a cash accounting basis.

Note 2 - Program Costs

The amounts shown as current year expenditures represent only federal/state/local grant portion of the program cost. Entire program cost, including the county's portion may be 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 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 3- Noncash Awards - Vaccinations

The amount of Vaccine reported on the schedule is the value of vaccine distributed by the county during current year and priced as prescribed by Federal and State Agencies.

Note 4 - Indirect Cost Rate

The amount expended includes amounts claimed as an indirect cost recovery using an approved indirect cost rate of 25.77% or other overhead rate allowed by the granting agency. The county has not elected to use the 10-percent de minimis indirectcost rate allowed under the Uniform Guidance.

Note 5 - 2018 Federal Highway Safety Grant Expenditures Reported in 2019

In 2018, the County incurred \$356,340 of expenditures relating to a federal safety guardrail grant program. As substantial doubt existed at the time of preparation and filing of the County's 2018 SEFA whether these expenditures would ultimately be reimbursed under this grant due to issues raised by the grant's administering state agency, the County elected not to report the amounts in its 2018 SEFA. Subsequently, in September 2019, the County did receive reimbursement for these expenditures, resulting in these funds being reported in the County's 2019 SEFA.



Board of Clallam County Commissioners

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CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Clallam County
January 1, 2019 through December 31, 2019

This schedule presents the corrective action planned by the County for findings reported in this report 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).

Finding ref number: 2019-001	Finding caption: The County did not have adequate internal controls over financial statement preparation to ensure accurate and reliable financial reporting
Name, address, and telephone of County contact person: Mark Lane, 223 East 4 th Street, Suite 4, Port Angeles, WA 98362, 360-417-2383	
Corrective action the auditee plans to take in response to the finding: <i>The County's finance and accounting staff will seek out additional implementation guidance on BARS changes through further research of BARS Cash Manual, inquiry of the SAO Help Desk as well as attending additional training offered through the SAO and other organizations as it becomes available relating to this particular issue that resulted in this finding to insure implementation of this new requirement is performed correctly for 2020. Moreover, we will continue to apply this same approach to help insure other BARS changes are implemented by the County correctly in the future.</i>	
Anticipated date to complete the corrective action: We expect this process to begin in late 2020 and be completed by the time we file our 2020 annual report.	

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(564) 999-0950
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov