



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Clallam County

For the period January 1, 2020 through December 31, 2020

Published November 24, 2021

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

November 24, 2021

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, 2020 through December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
21.019	COVID-19 – Coronavirus Relief Fund

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



Board of Clallam

County Commissioners

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From the Desk of
ADMINISTRATOR RICH SILL
CHIEF FINANCIAL OFFICER MARK LANE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Clallam County January 1, 2020 through December 31, 2020

This schedule presents the status of findings reported in prior audit periods.

Audit Period: January 1, 2019 through December 31, 2019	Report Ref. No.: 1027515	Finding Ref. No.: 2019-001
Finding Caption: The County did not have adequate internal controls over financial statement preparation to ensure accurate and reliable financial reporting.		
Background: Background: The 2019 financial statements, as initially submitted for audit, implemented the BARS manual change for classifying fiduciary activity. 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 investments of those districts should have been reported only in the Investment Trust fund, and their cash should have been reported only in the Custodial fund. The audit noted a deficiency in internal controls over the County's financial reporting when implementing BARS manual changes. The County corrected the 2019 financial statements by deferring implementation of the related BARS changes on the final version of the financial statements.		
Status of Corrective Action: (check one)		
<input checked="" type="checkbox"/> Fully Corrected	<input type="checkbox"/> Partially Corrected	<input type="checkbox"/> Not Corrected
		<input type="checkbox"/> Finding is considered no longer valid

Corrective Action Taken:

In 2020 and 2021, the County's finance and accounting staff conducted additional research to the extent available relating to implementation guidance on the BARS change in accounting for classifying and reporting on fiduciary activities that resulted in this prior year audit finding being issued. These efforts included performing further research of the SAO BARS Cash Manual, attending additional trainings offered through the SAO and other organizations (including the SAO Cash BARS Update Class, MRSC's Annual Financial Reporting Webinar for Reporting Year 2020, and the 2021 WSACA Finance Conference), and utilizing the SAO Help Desk to insure the County's implementation of these new fiduciary activity reporting requirements for the 2020 Annual Report was performed correctly.

The County wishes to note that the availability of specific, clear implementation guidance for counties related to this new fiduciary reporting standard remained extremely limited both within the BARS manual and the training available, and as a result, the County's finance personnel appropriately consulted with the SAO's Help Desk extensively on this issue to gain better clarity of the requirements and to insure its implementation of this new standard was correct and in alignment with the guidance received. We believe this implementation was successfully completed for the 2020 reporting year based on these actions taken, along with other BARS changes that took effect for the 2020 reporting year that the finance/accounting staff appropriately researched and attended training on, including preparation of the new Schedule 6 Summary of Bank Reconciliation and implementation of the new BARS cash and investments classification reporting requirements.

The County will continue to apply this same approach to help insure other future BARS changes are implemented by the County correctly in the future. In addition, the County expects to be adding a new Deputy CFO position to the finance team in 2022 which should further strengthen the County's finance/accounting oversight capabilities and broaden the bandwidth of the finance team.

INDEPENDENT AUDITOR'S REPORT

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

Clallam County **January 1, 2020 through December 31, 2020**

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, 2020, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated November 18, 2021.

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 1 to the financial statements, during the year ended December 31, 2020, the County implemented new accounting guidance for classification of cash and investment balances, as required by the BARS manual.

As discussed in Note 4 to the financial statements, during the year ended December 31, 2020, the County implemented new accounting guidance for fiduciary fund reporting, as required by the BARS manual.

As discussed in Note 12 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the County is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

November 18, 2021

INDEPENDENT AUDITOR'S REPORT

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

Clallam County January 1, 2020 through December 31, 2020

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, 2020. 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, 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

November 18, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Clallam County January 1, 2020 through December 31, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 18.

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, 2020, 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, 2020, 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 1 to the financial statements, in 2020, the County adopted new accounting guidance for classification of cash and investment balances as required by the BARS manual. Our opinion is not modified with respect to this matter.

As discussed in Note 4 to the financial statements, in 2020, the County adopted new accounting guidance for fiduciary fund reporting 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, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the County is unknown. 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 November 18, 2021 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, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

November 18, 2021

Clallam County
January 1, 2020 through December 31, 2020

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2020
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2020
Notes to Financial Statements – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020
Schedule of Expenditures of Federal Awards – 2020
Notes to the Schedule of Expenditures of Federal Awards – 2020

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 General	101 Roads	110 OPSCAN Operations
Beginning Cash and Investments					
308	Beginning Cash and Investments	46,254,045	15,339,157	5,370,314	978,015
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	37,812,468	20,898,711	7,899,584	698,391
320	Licenses and Permits	1,075,188	1,003,828	69,160	-
330	Intergovernmental Revenues	21,904,847	10,818,949	4,721,242	456,146
340	Charges for Goods and Services	15,352,614	7,480,767	30,336	468,969
350	Fines and Penalties	888,427	879,463	-	8,964
360	Miscellaneous Revenues	3,954,244	2,236,451	399,037	43,222
Total Revenues:		80,987,788	43,318,169	13,119,359	1,675,692
Expenditures					
510	General Government	21,363,181	18,426,701	40,819	-
520	Public Safety	18,254,354	14,879,437	500,000	1,486,577
530	Utilities	665,576	-	-	-
540	Transportation	14,035,134	-	11,540,080	-
550	Natural/Economic Environment	6,483,759	2,525,059	39,861	-
560	Social Services	8,641,599	2,009,409	-	-
570	Culture and Recreation	3,316,663	3,281,353	-	-
Total Expenditures:		72,760,266	41,121,959	12,120,760	1,486,577
Excess (Deficiency) Revenues over Expenditures:		8,227,522	2,196,210	998,599	189,115
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	54,154	-	-	-
397	Transfers-In	5,770,611	561,000	700,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,599,141	740,314	756,130	-
Total Other Increases in Fund Resources:		7,423,906	1,301,314	1,456,130	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	9,300,034	1,039,684	2,591,633	150,130
591-593, 599	Debt Service	418,517	-	-	-
597	Transfers-Out	5,770,611	3,113,860	569	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	128,579	45,667	52,645	-
Total Other Decreases in Fund Resources:		15,617,741	4,199,211	2,644,847	150,130
Increase (Decrease) in Cash and Investments:		33,687	(701,687)	(190,118)	38,985
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	16,352,183	190,283	288,291	906,665
50841	Committed	1,005,174	1,000,000	-	-
50851	Assigned	15,483,188	-	4,891,905	110,335
50891	Unassigned	13,447,187	13,447,187	-	-
Total Ending Cash and Investments		46,287,732	14,637,470	5,180,196	1,017,000

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>113 Health & Human Services</u>	<u>114 Law Library</u>	<u>117 Crime Victim</u>	<u>119 Racketeering</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	4,385,317	16,848	148,823	1,844
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,758,709	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	2,884,889	-	79,388	-
340	Charges for Goods and Services	1,021,106	25,402	66,025	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	47,360	-	-	10
Total Revenues:		<u>5,712,064</u>	<u>25,402</u>	<u>145,413</u>	<u>10</u>
Expenditures					
510	General Government	-	-	214,446	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	6,409,389	-	-	-
570	Culture and Recreation	-	35,310	-	-
Total Expenditures:		<u>6,409,389</u>	<u>35,310</u>	<u>214,446</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(697,325)</u>	<u>(9,908)</u>	<u>(69,033)</u>	<u>10</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	548,200	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	15,144	-	-	-
Total Other Increases in Fund Resources:		<u>563,344</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	20,714	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>20,714</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(154,695)</u>	<u>(9,908)</u>	<u>(69,033)</u>	<u>10</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	3,654,574	6,940	-	-
50841	Committed	-	-	-	-
50851	Assigned	576,048	-	79,790	1,854
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>4,230,622</u>	<u>6,940</u>	<u>79,790</u>	<u>1,854</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>122 Treasurer's O&M</u>	<u>124 Document Preservation</u>	<u>129 Dispute Resolution Center</u>	<u>130 Noxious Weed Control</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	301,472	539,809	1,746	337,085
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	11,918	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	12,253	61,927	-	58,471
340	Charges for Goods and Services	49,109	58,491	16,155	61,749
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	888	-	-	107,710
Total Revenues:		<u>74,168</u>	<u>120,418</u>	<u>16,155</u>	<u>227,930</u>
Expenditures					
510	General Government	79,311	85,223	16,388	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	224,406
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>79,311</u>	<u>85,223</u>	<u>16,388</u>	<u>224,406</u>
Excess (Deficiency) Revenues over Expenditures:		(5,143)	35,195	(233)	3,524
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	727	-	-	-
Total Other Increases in Fund Resources:		<u>727</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	13,044	24,420	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>13,044</u>	<u>24,420</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		(17,460)	10,775	(233)	3,524
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	284,012	550,584	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	1,513	340,609
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>284,012</u>	<u>550,584</u>	<u>1,513</u>	<u>340,609</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		190 Conservation Futures	191 Emergency Communication Tax	192 Hotel/Motel Tax	193 Trial Court Improvements
Beginning Cash and Investments					
308	Beginning Cash and Investments	-	1,901,678	1,051,157	62,766
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	268,554	1,510,312	788,557	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	16	-	252,761	36,272
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,498	11,412	-	-
Total Revenues:		270,068	1,521,724	1,041,318	36,272
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	1,388,340	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	1,141,942	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,388,340	1,141,942	-
Excess (Deficiency) Revenues over Expenditures:		270,068	133,384	(100,624)	36,272
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	16,582	-	-	-
Total Other Increases in Fund Resources:		16,582	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	40,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	40,000
Increase (Decrease) in Cash and Investments:		286,650	133,384	(100,624)	(3,728)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	266,916	2,035,062	950,533	-
50841	Committed	-	-	-	-
50851	Assigned	19,734	-	-	59,038
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		286,650	2,035,062	950,533	59,038

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>194 Veterans' Relief</u>	<u>195 Federal Forest Replacement</u>	<u>197 Affordable Housing Sales Tax</u>	<u>199 Opportunity Fund</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	148,879	56,790	-	4,085,150
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	111,788	-	91,376	1,374,422
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	74,582	8,157	25,000	70,000
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	4,568	-	34	45,029
Total Revenues:		<u>190,938</u>	<u>8,157</u>	<u>116,410</u>	<u>1,489,451</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	746,202
560	Social Services	222,801	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>222,801</u>	<u>-</u>	<u>-</u>	<u>746,202</u>
Excess (Deficiency) Revenues over Expenditures:		(31,863)	8,157	116,410	743,249
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	3,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	6,814	-	-	-
Total Other Increases in Fund Resources:		<u>6,814</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	418,021
597	Transfers-Out	-	-	-	242,026
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>660,047</u>
Increase (Decrease) in Cash and Investments:		(25,049)	8,157	116,410	86,202
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	123,830	-	116,410	4,171,352
50841	Committed	-	-	-	-
50851	Assigned	-	64,947	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>123,830</u>	<u>64,947</u>	<u>116,410</u>	<u>4,171,352</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>274 RID #149</u>	<u>295 LID 2007-1</u>	<u>301 REET</u>	<u>302 REET 2</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	31,494	5,669	1,473,468	1,006,847
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	1,200,356	1,199,790
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	213,985	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	174	2,505	31,636	-
Total Revenues:		<u>174</u>	<u>2,505</u>	<u>1,445,977</u>	<u>1,199,790</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>174</u>	<u>2,505</u>	<u>1,445,977</u>	<u>1,199,790</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	3,494	18,889
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>3,494</u>	<u>18,889</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	395,779	436,120
591-593, 599	Debt Service	496	-	-	-
597	Transfers-Out	-	3,000	790,116	741,235
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	18,931	-
Total Other Decreases in Fund Resources:		<u>496</u>	<u>3,000</u>	<u>1,204,826</u>	<u>1,177,355</u>
Increase (Decrease) in Cash and Investments:		(322)	(495)	244,645	41,324
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	1,718,113	1,048,171
50841	Committed	-	5,174	-	-
50851	Assigned	31,172	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>31,172</u>	<u>5,174</u>	<u>1,718,113</u>	<u>1,048,171</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		303 Lower Dungeness Floodplain	304 Dungeness Reservoir	305 Capital Projects	307 Capital Projects IT
Beginning Cash and Investments					
308	Beginning Cash and Investments	3,768	-	263,350	135,536
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1,965,488	92,660	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		1,965,488	92,660	-	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	1,707,272	99,017	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,707,272	99,017	-	-
Excess (Deficiency) Revenues over Expenditures:		258,216	(6,357)	-	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	295,000	30,000	818,105	2,328,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	13,923	-
Total Other Increases in Fund Resources:		295,000	30,000	832,028	2,328,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	528,757	2,140,930
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	521,000	-	318,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	11,336	-
Total Other Decreases in Fund Resources:		521,000	-	858,093	2,140,930
Increase (Decrease) in Cash and Investments:		32,216	23,643	(26,065)	187,070
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	13,923	-
50841	Committed	-	-	-	-
50851	Assigned	35,984	23,643	223,362	322,606
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		35,984	23,643	237,285	322,606

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>309 Carlsborg Water Mitigation</u>	<u>402 Solid Waste</u>	<u>414 Clallam Bay Sewer</u>	<u>424 Carlsborg Sewer</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	257,528	13,999	305,711	303,609
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	2,200
330	Intergovernmental Revenues	-	71,676	985	-
340	Charges for Goods and Services	-	40,355	306,873	150,864
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	55	3,236	44,000
Total Revenues:		-	112,086	311,094	197,064
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	111,411	380,137	174,028
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	111,411	380,137	174,028
Excess (Deficiency) Revenues over Expenditures:		-	675	(69,043)	23,036
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	54,154	-
397	Transfers-In	-	-	171,772	301,605
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	225,926	301,605
Other Decreases in Fund Resources					
594-595	Capital Expenditures	211,807	-	102,841	77,608
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	334	92
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		211,807	-	103,175	77,700
Increase (Decrease) in Cash and Investments:		(211,807)	675	53,708	246,941
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	45,721	14,674	359,419	550,550
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		45,721	14,674	359,419	550,550

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>503 ER & R</u>	<u>504 Risk Management</u>	<u>505 Workers' Compensation</u>	<u>506 Employee Health Care Benefit</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	3,247,741	1,706,829	2,537,440	30,000
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	2,940,810	2,235,145	375,664	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	974,845	540	34	-
Total Revenues:		<u>3,915,655</u>	<u>2,235,685</u>	<u>375,698</u>	<u>-</u>
Expenditures					
510	General Government	-	1,733,664	742,403	13,929
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	2,495,054	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>2,495,054</u>	<u>1,733,664</u>	<u>742,403</u>	<u>13,929</u>
Excess (Deficiency) Revenues over Expenditures:		1,420,601	502,021	(366,705)	(13,929)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	13,929
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	27,124	-	-	-
Total Other Increases in Fund Resources:		<u>27,124</u>	<u>-</u>	<u>-</u>	<u>13,929</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,566,567	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	379	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>1,566,946</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(119,221)</u>	<u>502,021</u>	<u>(366,705)</u>	<u>-</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	26,524	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	3,101,996	2,208,850	2,170,735	30,000
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>3,128,520</u>	<u>2,208,850</u>	<u>2,170,735</u>	<u>30,000</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>507</u> <u>Unemployment</u> <u>Compensation</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	204,206
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	24,794
350	Fines and Penalties	-
360	Miscellaneous Revenues	-
Total Revenues:		24,794
Expenditures		
510	General Government	10,297
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		10,297
Excess (Deficiency) Revenues over Expenditures:		14,497
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		-
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		-
Increase (Decrease) in Cash and Investments:		14,497
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	218,703
50891	Unassigned	-
Total Ending Cash and Investments		218,703

Clallam County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	Investment Trust	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	55,362,062	-	84,513	55,277,549
388 & 588	Net Adjustments	-	54,932,329	-	(54,932,329)
310-390	Additions	283,089,637	-	12,466	283,077,171
510-590	Deductions	267,525,654	-	7,000	267,518,654
	Net Increase (Decrease) in Cash and Investments:	15,563,983	-	5,466	15,558,517
508	Ending Cash and Investments	70,926,045	54,932,329	89,979	15,903,737

The accompanying notes are an integral part of this statement.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Basis of Presentation - Fund Accounting

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

Governmental Fund Types

General Fund

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

Special Revenue Funds

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

Debt Service Funds

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

Capital Project Funds

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

Proprietary Fund Types

Enterprise Funds

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

Internal Service Funds

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

Fiduciary Fund Types

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

Investment Trust Funds

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

Private-Purpose Trust Funds

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

Custodial Funds

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

B. Basis of Accounting

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

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

C. Deposits and Investments - See Note 3.

D. Capital Assets

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

E. Compensated Absences

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

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

G. Other Resources and Other Uses

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

H. Risk Management - See Note 9.

I. Restricted and Committed Portion of Ending Cash and Investments

Effective for the year ended December 31, 2020, the County adopted new cash and investments classification reporting requirements of the BARS Manual requiring that cash and investments be

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

classified as nonspendable, restricted, committed, assigned or unassigned. Ending cash and investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties, RCW or due to internal commitments established by Board of Commissioners-adopted resolution or ordinance. When expenditures that meet restrictions are incurred, the County intends to use the most restricted resources first. At December 31, 2020, restrictions and commitments of Ending Cash and Investments consisted of:

FUND #	FUND NAME	RESTRICTED ENDING CASH & INVESTMENTS	COMMITTED ENDING CASH & INVESTMENTS	CLASSIFICATION DETAILS
001	General Fund	190,283	1,000,000	Restricted includes \$111,298 of unspent recording surcharges collected to promote historic preservation or historical programs that must be expended pursuant to RCW 36.22.170, surety/performance bond funds held of \$69,051 pursuant to franchise agreements, and unspent state HAVA grant advances of \$9,934. Committed consists of Board of Commissioners committed fund reserves of \$500,000 for insurance deductibles and \$500,000 for unemployment/separation established via resolution.
101	Roads	288,291	-	Restricted consists of proceeds received from the sale of surplus land and vendor refund received in 2019 related to the Deer Park overpass federally funded project totaling \$224,011 that has to be applied to another eligible Federal roads project for which full funding has not been committed, and retainage funds held related to certain road projects of \$64,280.
110	OPSCAN Operations	906,665	-	Restricted consists of various Sheriff-managed funds that must be spent in accordance with terms of interlocal agreements (including OPNET Drug (\$55,484), OPSCAN Operations (\$527,344)), RCWs governing Boating Safety (RCW 88.02.640 (8)--\$128,128), 911 Enhanced (RCW 82.148.030--\$118,123) and 24/7 Sobriety Program (RCW 36.28A.300-390--\$50,670), donated funds restricted to use in support of Sheriff Honor Guard functions (\$4,388), unspent 911 Enhanced state grant funds received (\$9,214) and required distributions with other law enforcement agencies pursuant to the terms of Homeland Security grant funds (\$13,314).
113	Health & Human Services	3,654,574	-	Restricted consists of recording surcharges and sales & use tax that must be spent in accordance with RCW, including Homeless Task Force (RCW 36.22.179--\$573,957), Chemical Dependency/Mental Health (RCW 82.14.460--\$2,606,571), and Affordable Housing (RCW 36.22.178--\$219,665). Also includes unspent Olympic Community of Health Contributions (\$42,950), Department of Health State Disaster Recovery COVID grant funds (\$11,548), and Foundational Public Health Services funds (\$23,591), and \$176,292 related to the Working Advance from the Washington Department of Social & Health Services.
114	Law Library	6,940	-	Restricted consists of law library funds that must be spent in accordance with RCW 27.24.070.
122	Treasurer's O&M	284,012	-	Restricted consists of Treasurer O&M (\$134,461), REET Electronic Technology (\$137,930) and Land Assessment (\$11,621) funds that must be spent in accordance with RCW 84.56.020, 82.45.180 and 36.33.120-190, respectively.
124	Document Preservation	550,584	-	Restricted consists of Auditor required surcharge funds that must be spent on eligible historic document preservation costs in accordance with RCW 36.22.170.
190	Conservation Futures	266,916	-	Restricted consists of conservation futures property tax funds that must be spent on preserving lands of public interest in accordance with RCW 84.34.230.
191	Emergency Communications Tax	2,035,062	-	Restricted consists of funds governed by RCW 82.14.420 which must be used to finance, design, acquire, construct, equip, operate, and maintain emergency communication systems and facilities.
192	Hotel/Motel Tax	950,533	-	Restricted consists of hotel/motel lodging tax which must be used only for tourism activities or tourism-related facilities in accordance with RCW 67.28.180 and 67.28.181.

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FUND #	FUND NAME	RESTRICTED ENDING CASH & INVESTMENTS	COMMITTED ENDING CASH & INVESTMENTS	CLASSIFICATION DETAILS
194	Veterans' Relief	123,830	-	Restricted consists of property tax levy and related interest funds that must be spent on eligible veteran's relief support efforts in accordance with RCW 73.08.08..
197	Affordable Housing	116,410	-	Restricted consists of HB 1406 Affordable Housing Sales Tax Credit governed by RCW 82.14.540 and CTED CDBG Housing Rehabilitation Revolving Loan program funds that can only be used in support of affordable housing initiatives.
199	Opportunity Fund	4,171,352	-	Restricted consists of Rural Counties Public Facilities Sales Tax that under RCW 82.14.370 must be used to finance public facilities servicing economic development purposes and finance personnel in economic development offices.
295	LID 2007-1		5,174	Committed under Resolution 88-2007 and 98-2009 creating a LID for purpose of providing sewer facilities.
301	REET	1,718,113	-	Restricted consists of real estate excise taxes that must be used on eligible capital projects and maintenance of capital projects in accordance with RCW 82.45 and 82.46 and retainage funds held related to certain REET-funded projects of \$6,784.
302	REET 2	1,048,171	-	Restricted consists of real estate excise taxes that must be used on eligible capital projects and maintenance of capital projects in accordance with RCW 82.45 and 82.46 and retainage funds held related to certain REET-funded projects of \$18,889.
305	Capital Projects	13,923	-	Restricted consists of retainage funds held related to certain capital projects of \$13,923.
503	ER&R	26,524	-	Restricted consists of retainage funds held related to certain ER&R projects of \$26,524.
	TOTAL-- STATEMENT C-4	16,352,183	1,005,174	

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 2021 general fund budget as originally approved in December 2020 included a deficit of \$3,524,842.

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

Clallam County
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must be approved by the legislative authority following public hearings. The County's budget was amended 205 times during 2020.

3. The appropriated and actual expenditures for the legally adopted 2020 budgets were:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
<u>GENERAL FUND</u>			
Assessor	1,820,844	1,672,677	148,167
Auditor	1,981,847	1,770,379	211,468
Treasurer	865,529	804,087	61,442
BOCC - Operations	824,426	745,851	78,575
Boundary Review Board	1,780	150	1,630
Port Crescent Cemetery	3,000	0	3,000
Board of Equalization	72,694	56,636	16,058
Non Departmental	5,566,130	5,166,215	399,915
Operating Transfers Out	4,554,305	1,448,405	3,105,900
DCD - Administration	577,068	504,575	72,493
DCD - Environmental Quality	353,216	179,599	173,617
DCD - Permit Center	987,936	914,780	73,156
DCD - Planning	637,238	444,979	192,259
Hearing Examiner	85,000	29,250	55,750
Information Technology	1,846,653	1,814,865	31,788
Geographic Information System (GIS)	186,009	182,311	3,698
Human Resources	604,185	505,827	98,358
Environmental Health	1,233,474	1,110,185	123,289
HHS - Administration	624,195	608,710	15,485
Sheriff - Operations	7,195,044	6,988,410	206,634
Sheriff - Community Projects	21,023	13,598	7,425
Animal Control	205,825	190,175	15,650
Search and Rescue	23,150	19,410	3,740
Jail	4,366,633	4,012,802	353,831
Jail Medical	803,312	782,185	21,127
Emergency Services	388,696	233,647	155,049
Indigent Defense	1,527,635	1,527,634	1
Prosecuting Attorney	3,148,296	2,762,082	386,214
Child Support	318,298	280,357	37,941
Coroner	187,800	178,219	9,581
Juvenile Services	3,578,854	3,167,710	411,144
Superior Court	2,128,626	1,814,754	313,872
District Court I	1,066,171	824,533	241,638
District Court II	383,686	373,838	9,848
Clerk	891,336	825,231	66,105
Parks and Facilities	2,755,885	2,647,764	108,121
Fair	503,575	331,305	172,270
WSU Extension	405,584	347,950	57,634
Flood Control	58,122	40,085	18,037
TOTAL GENERAL FUND	52,783,080	45,321,170	7,461,910

Clallam County
Notes to Financial Statements
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Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Roads	20,079,219	14,765,607	5,313,612
Honor Guard Donation	3,913	0	3,913
Boating Safety Recreational and Boating Fund	59,924	35,560	24,364
VRF Boating Program	29,148	12,079	17,069
Sheriff - Office Drug Fund	8,974	0	8,974
Sheriff - OPNET Drug	166,381	139,087	27,294
Nine-One-One Enhanced	731,940	679,964	51,976
OPSCAN Operations	422,777	400,859	21,918
Sheriff - Operation Stonegarden	393,474	226,553	166,921
24/7 Sobriety Program	154,312	116,477	37,835
Sheriff - Inmate Commissary and Welfare	64,320	26,128	38,192
Health and Human Services - Operations	3,752,381	2,586,227	1,166,154
Homeless Task Force	686,690	519,545	167,145
Chemical Dependency Mental Health	1,961,891	1,702,349	259,542
Affordable Housing	85,000	39,726	45,274
Developmental Disabilities	1,943,009	1,582,256	360,753
Law Library	46,844	35,310	11,534
Local Crime Victim Comp/Local	230,621	214,446	16,175
Treasurer - Operation and Maintenance	122,003	60,198	61,805
REET Electronic Technology	23,912	17,325	6,587
Land Assessment	15,721	14,832	889
Document Preservation	158,729	109,643	49,086
Dispute Resolution	15,135	9,710	5,425
Courthouse Facilitator	8,520	6,678	1,842
Noxious Weed Control	250,647	202,946	47,701
LMD#2 Lake Sutherland	23,033	21,460	1,573
Trial Court Improvements	40,000	40,000	0
Veterans Relief	311,003	222,801	88,202
Federal Forest Replacement	30,000	0	30,000
Hotel/Motel Tax	1,247,429	1,141,942	105,487
Opportunity Fund	1,436,982	1,406,249	30,733
Emergency Communication Tax	1,508,929	1,388,340	120,589
RID #149 Osborn Road	2,500	496	2,004
LID 3rd Street Sewer Line	3,000	3,000	0
Real Estate Excise Tax Project	1,651,503	1,204,826	446,677
Real Estate Excise Tax 2	1,391,528	1,177,355	214,173
Lwr Dungeness Floodplain	3,817,777	2,228,272	1,589,505
Dungeness Reservoir	491,327	99,017	392,310
Capital Projects	993,105	858,093	135,012
Capital Projects Info Tech	2,494,581	2,140,930	353,651
Carlsborg Water Mitigation	357,528	211,807	145,721
Solid Waste	127,172	111,411	15,761
Clallam Bay-Seki Sewer	537,303	483,312	53,991
Carlsborg Sewer	466,914	251,728	215,186
Equipment Rental and Revolving	4,209,548	4,062,000	147,548
Risk Management	2,235,145	1,733,664	501,481
Workers Compensation Claims	742,450	742,403	47
Employee Health Care Benefit	36,925	13,929	22,996
Unemployment Compensation	32,437	10,297	22,140
TOTAL OTHER COUNTY FUNDS	55,603,604	43,056,837	12,546,767

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

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, 2020 the County had the following deposits and investments:

	County Owned Deposits & Investments	Deposits & Investments Held by County as Custodian	Total
Bank Deposits	\$ 500,082	\$ 6,310,188	\$ 6,810,270
Certificates of Deposit	28,614,401	11,570,805	40,185,206
US Government Securities	-	-	-
State Local Government Investment Pool	<u>17,173,249</u>	<u>53,045,052</u>	<u>70,218,301</u>
Total	<u>\$ 46,287,732</u>	<u>\$ 70,926,045</u>	<u>\$ 117,213,777</u>

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

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

NOTE 4 – INVESTMENT TRUST FUND

Effective on December 31, 2020, the County adopted the new fiduciary fund reporting requirements of the BARS Manual requiring that external portion of investment pools and individual investment accounts that are held in trust by the County on behalf of special purpose districts be reported within an Investment Trust Fund separate from the custodial funds maintained for each special purpose district. As a result of adoption of this new standard, the County's C5 reflects a re-characterization of total ending investments of \$54,932,329 from Custodial Funds to the Investment Trust Fund. Cash held in trust by the County on behalf of

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

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

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

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

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

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

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Notes to Financial Statements
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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 2020 was \$1.1463613541 per \$1,000 on a total assessed valuation of \$9,862,913,635 for a regular levy total of \$11,306,463.03. The County's total 2020 levy rate of \$1.1463613541 was comprised of four funds: General at \$1.1089113547; Veterans' Relief at \$.0112499991; Land Assessment at \$.0012000004; and Developmental Disabilities at \$.0249999999.

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, 2019 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$3,136. There were no new loans on this balance in 2020, and after payments of \$392 the balance at December 31, 2020 was \$2,744.

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, 2020. 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

Clallam County
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installments beginning in 2008 and continuing through 2025. Interest on the loan is stated at 1%. At December 31, 2020 the principal outstanding on this loan payable was \$233,904 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, 2020, the principal outstanding on this loan payable was \$9,655,173, with annual principal payments due of \$344,828 through June 1, 2048.

Washington State DOE SRF Standard and Forgivable Principal Loans – In November 2019, Clallam County Public Works entered into a Water Quality Combined Financial Assistance Agreement with the Washington State Department of Ecology (“DOE”) that provides grant, standard loan and forgivable principal loan funding to support the County’s replacement of waste water collection facilities infrastructure serving the communities of Sekiu and Clallam Bay. This agreement provides loan borrowing capacity to the County totaling up to \$2,299,771, consisting of up to a \$1,865,271 SRF Standard Loan and up to \$434,500 in a SRF Forgivable Principal Loan. Interest on the SRF Standard Loan is at 2%, with semi-annual principal and interest payments due of \$900 beginning July 31, 2024 through July 31, 2043 based on borrowings outstanding as of December 31, 2020 and an estimated project completion date of October 31, 2023. No payments or interest are due under the SRF Forgivable Principal Loan, with forgiveness subject to satisfactory adherence to the terms and conditions of the DOE project agreement and completion of the project work. Preliminary project design and planning for this project commenced in 2020 with construction expected to begin in 2021. As of December 31, 2020, principal outstanding under the SRF Standard Loan and SRF Forgivable Principal Loan totaled \$28,598 and \$25,556, respectively.

The total debt service requirements for these general obligation bonds based on borrowings outstanding as of December 31, 2020 are as follows:

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	390,681	26,477	417,158
2022	391,141	25,157	416,298
2023	391,603	23,831	415,434
2024	392,343	23,130	415,473
2025	393,782	21,729	415,511
2026-2030	1,730,713	92,946	1,823,659
2031-2035	1,731,403	70,703	1,802,106
2036-2040	1,732,168	48,389	1,780,557
2041-2045	1,729,355	26,046	1,755,401
2046-2049	1,034,486	5,172	1,039,658
TOTAL	\$ 9,917,675	\$ 363,580	\$ 10,281,255

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

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

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

Clallam County
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June 30th of each year depending on DSHS' assessment of funding need. As of December 31, 2020, the working advance outstanding with DSHS totaled \$176,292.

- B. Compensated Absences - The County's liability to employees for compensated absences consists of amounts due for accrued vacation and compensatory time, and depending on the circumstances of an employee's separation, some portion of sick time accrued. The County uses percentages of 20% for full-time employees and 10% for part-time employees of accrued sick time to calculate the value of sick time accrued for purposes of liability disclosure as of December 31, 2020. 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, 2020 was \$3,169,045 which was an increase of \$304,323 from the end of 2019.
- 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, 2020, the current cost to decommission and remove these USTs, as adjusted for inflation, is estimated to total approximately \$480,636.

NOTE 8 - PENSION PLANS

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

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

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

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

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At June 30, 2020 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	1,030,086	0.14%	5,017,992
PERS 2/3	1,467,480	0.16%	2,037,292
LEOFF 1	--	0.02%	(314,758)
LEOFF 2	162,138	0.08%	(1,690,713)
PSERS 2	151,710	0.34%	(47,263)

LEOFF 1

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

LEOFF 2

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

NOTE 9 - RISK MANAGEMENT

A. Liability Risk Pool

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

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2020, 26 counties participate in the WCRP.

Clallam County
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For the Year Ended December 31, 2020

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2020, 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 2019-20, the Pool’s SIR was \$2,000,000. The reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30 million (lowest reinsured layer), and \$50 million (second layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. Sixteen of the Pool’s 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.

During 2019-20, 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. The Pool carries a \$100,000 per claim

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

deductible, while each participating county is responsible for paying their selected deductible within the Pool's 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 carries a \$100,000 per claim SIR, while participating member counties do not have deductibles.

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

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to a) approve all disbursements and review the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$100,000, c) 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 2019-20, the WCRP's assets increased to \$61 million while its liabilities increased to \$36.3 million. The Pool's net position remained at \$24.7 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, 2020 was \$0. As such, there were no known contingent liabilities for disclosure by the member counties as of December 31, 2020.

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.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

County Management considers the reserve levels at the end of 2020 to be adequate to cover known and anticipated claims as of that date.

C. Risk Funding

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

NOTE 10 - CLAIMS AND JUDGMENTS

Clallam County is named as the defendant in four legal actions as of the end of 2020 of which four 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 2020.

NOTE 11 – OPEB PLAN—LEOFF 1

The County's post-employment benefits other than pensions liability ("OPEB") consists solely of the LEOFF 1 Retirement Medical Plan, a closed, single-employer, defined-benefit OPEB plan administered by Clallam County as required under RCW 41.26.150. The County's plan pays for 100% of eligible retirees' healthcare-related costs on a pay-as-you-go basis. As of December 31, 2020, the County's plan had eight members, all of which are retirees. As of December 31, 2020, the County's total OPEB liability was \$4,083,580, as calculated using the alternative measurement method online tool available through the Office of the Washington State Actuary, and represents an increase of \$342,061 from the end of 2019. For the year ended December 31, 2020, the County paid total medical costs for the members of \$35,820. In addition, the County also paid \$33,813 in medical insurance premiums for five of these retired employees in 2020. Only LEOFF 1 employees are eligible for this benefit.

NOTE 12 – COVID-19 PUBLIC HEALTH EMERGENCY

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

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 during the remainder of 2020. 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. Many of these revenue streams, including most notably 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 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 could 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 economic assistance totaling approximately \$3,199,000 in the following areas:

- Economic support assistance totaling approximately \$2,080,000 was 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 totaling \$270,000 was 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 totaling approximately \$367,000 was provided 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 totaling approximately \$211,000 was provided 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;

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

- Homeless assistance totaling \$200,000 was 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; and
- Other economic support and small business outreach campaign costs incurred totaling approximately \$71,000.

The remaining \$2,501,000 of these CARES funds was 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 outreach campaigns to support awareness and adherence to public safety guidelines and provide guidance during phase reopening of businesses, and other costs. As of December 31, 2020, the County had fully expended and been reimbursed for all CARES funds awarded to it through the Washington State Department of Commerce.

In addition to the CARES funds received through the Washington State Department of Commerce, 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. These funds were initially required to be spent by December 31, 2020, but were subsequently extended until December 30, 2021. Much of these funds, including funding from other state grants, were used to fund additional public health personnel and other costs incurred to support the County's public health response to the pandemic, as well as fund the opening and operation of an isolation shelter by the County to provide additional sheltering capacity for those experiencing homelessness or who otherwise needed sheltering while quarantined. This isolation shelter opened in April 2020 and is expected to be operated through August 2021 when a homeless shelter expansion project undertaken by the County's primary homeless shelter non-profit operator is expected to be completed.

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 and was lifted after the first quarter of 2021. With an additional \$15.0 million of COVID-19 Local Fiscal Recovery Funds awarded by the US Treasury to the County under the American Rescue Plan Act ("ARPA") enacted in March 2021, together with the continued positive economic activity seen as COVID-related business restrictions are lifted and vaccination efforts continue, management believes the County has sufficient funding available through ARPA and other remaining grant assistance through CARES, FEMA and other sources, as well as its own reserves, to absorb the remaining revenue and expenditure impacts of the COVID-19 public health emergency in 2021.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2020

NOTE 13 – BLAKE DECISION

In February 2021, as a result of the Washington State Supreme Court decision in the *State v. Blake* case, all convictions of simple possession of controlled substances under existing State laws were deemed unconstitutional and voided, requiring the release of affected defendants currently incarcerated, resentencing of affected defendants, and the refunding of all legal financial obligations (“LFOs”) assessed and collected from the affected defendants. Because the related laws affected by this decision date back to 1971, the number of affected cases and LFOs assessed and collected by the County since the law’s enactment are significant.

In April 2021, the Washington State Legislature passed SB5476 which requires the creation and funding of a *State v. Blake* reimbursement account to be funded by the State Treasury to be used to cover state and local government costs incurred relating to the *State v. Blake* decision, including costs relating to resentencing hearings and LFO refunds. The Washington State Administration of the Courts (“AOC”) has developed reports to help counties and cities identify the cases impacted by the *Blake* decision and quantify the total LFOs collected on behalf of the State and at the local government level. Based on these reports with available data dating back to 1986, the County estimates the total LFOs collected by the County relating to cases potentially impacted by the *Blake* decision to total approximately \$821,000 to \$1,445,000. Due to a lack of data available prior to 1986, the County is unable to estimate the additional total potential LFO collected prior to this time, although based on trends for periods where data is available, it does not believe the amount will significantly increase the County’s financial exposure beyond this range.

The County expects to enter into an interagency reimbursement agreement with the AOC in 2021 which will provide a total of \$615,200 of reimbursement funding to cover extraordinary judicial, prosecutorial, or defense-related costs incurred by the County relating to resentencing and vacating sentences of defendants whose convictions are affected by the *Blake* decision, and \$435,524 of LFO reimbursement funding for *Blake*-related LFO refunds paid by the County during the period of February 25, 2021 to June 30, 2022. It is currently unclear what the near-term and long-term financial impact of the *Blake* decision will be to the County. Such impact will be largely dependent on whether the *State v. Blake* reimbursement account established by the State, the reimbursement funding allotted to the County under this AOC interagency agreement, and future reimbursement funding, if any, made available after the current AOC reimbursement funding expires will be sufficient to fully cover all costs incurred by the County due to the *Blake* decision, including costs related to the refunding of collected LFOs as well as additional judicial, prosecutorial, and defense-related personnel and other extraordinary costs incurred by the County in the processing of *Blake* resentencings, vacating sentencings and processing of LFO refunds. The County’s management believes the County’s existing reserves should be sufficient to fund any unreimbursed costs the County incurs relating to the *Blake* decision.

**Clallam County
Schedule of Liabilities
For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	Washington State CERB Loan	6/1/2025	279,304	-	45,400	233,904
263.81	Washington State PWB Loan	6/1/2048	10,000,001	-	344,828	9,655,173
263.83	Washington State DOE SRF Standard Loan	7/31/2043	-	28,598	-	28,598
263.83	Washington State DOE SRF Forgivable Loan	7/31/2043	-	25,556	-	25,556
263.83	Working Advance from Department of Social and Health Services	6/30/2021	176,292	-	-	176,292
Total General Obligation Debt/Liabilities:			10,455,597	54,154	390,228	10,119,523
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		2,864,722	304,323	-	3,169,045
263.99	Asset Retirement Obligations		474,000	6,636	-	480,636
264.30	Pension Obligations		7,385,485	-	330,201	7,055,284
264.40	OPEB Obligations		3,741,519	342,061	-	4,083,580
Total Revenue and Other (non G.O.) Debt/Liabilities:			14,465,726	653,020	330,201	14,788,545
Total Liabilities:			24,921,323	707,174	720,429	24,908,068

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

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 Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	051219761	17,229	-	17,229	-	1,2,3,6
Total Child Nutrition Cluster:				17,229	-	17,229	-	
Food and Nutrition Service, Agriculture, Department of (via WA St Department of Health)								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA St Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	207WAWA7W1003	287,235	-	287,235	-	1,2,3,6
Forest Service Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via USDA Forest Service)	Schools and Roads - Grants to States	10.665	FS18-PA-11060900-005	44,262	-	44,262	-	1,2,3,6
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	NA	8,158	-	8,158	-	1,2,3,6
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	NA	346,695	-	346,695	-	1,2,3,6
Total CFDA 10.665:				399,115	-	399,115	-	
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via US Forest Service)	Schools and Roads - Grants to Counties	10.666	18-PA-11060900-017	2,290	-	2,290	-	1,2,3,6,8
Total Forest Service Schools and Roads Cluster:				401,405	-	401,405	-	
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF (via US Department of Justice)	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1581	19,804	-	19,804	-	1,2,3,6

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

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 St Dept of Commerce)	Crime Victim Assistance	16.575	F18-31219-452	50,932	-	50,932	-	1,2,3, 6
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA St Dept of Commerce)	Crime Victim Assistance	16.575	20-31101- 504/21-31101- 504	56,060	-	56,060	-	1,2,3, 6
			Total CFDA 16.575:	106,992	-	106,992	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA St Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-041	16,417	-	16,417	-	1,2,3, 6
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA St Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-042	2,543	-	2,543	-	1,2,3, 6
			Total CFDA 16.588:	18,960	-	18,960	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA St Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F17-31440-003	60,268	-	60,268	-	1,2,3, 6
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA St Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F17-31440-203	51,201	-	51,201	-	1,2,3, 6
			Total CFDA 16.738:	111,469	-	111,469	-	
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, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	HSIP-0005(484) LA9279	8,399	-	8,399	-	1,2,3, 6,9
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	HSIP-0005(555)	19,506	-	19,506	-	1,2,3, 6
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	BROS-05AD (001)	19,310	-	19,310	-	1,2,3, 6
Total Highway Planning and Construction Cluster:				47,215	-	47,215	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Traffic Safety Program)	State and Community Highway Safety	20.600	2020-HVE-3801 -Clallam	365	-	365	-	1,2,3, 6
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Traffic Safety Program)	State and Community Highway Safety	20.600	2021-Sub- grants-4125- Region 1	7,583	-	7,583	-	1,2,3, 6
Total Highway Safety Cluster:				7,948	-	7,948	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Traffic Safety Program)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2020-AG-3600 Clallam	19,057	-	19,057	-	1,2,3, 6

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Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	5,118,250	-	5,118,250	2,405,457	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Administrative Office of the Courts)	COVID 19 - Coronavirus Relief Fund	21.019	NA	22,334	-	22,334	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Administrative Office of the Courts)	COVID 19 - Coronavirus Relief Fund	21.019	NA	439,400	-	439,400	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Administrative Office of the Courts)	COVID 19 - Coronavirus Relief Fund	21.019	NA	3,635	-	3,635	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Administrative Office of the Courts)	COVID 19 - Coronavirus Relief Fund	21.019	NA	865	-	865	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	38,239	-	38,239	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	6,604	-	6,604	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	911	-	911	-	1,2,3, 6

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	252,761	-	252,761	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	70,000	-	70,000	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-005	213,985	-	213,985	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Department of Health)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18239	63,538	-	63,538	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Department of Health)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18239	86,842	-	86,842	-	1,2,3, 6
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA St Department of Health)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18239	755,149	-	755,149	-	1,2,3, 6
Total CFDA 21.019:				7,072,513	-	7,072,513	2,405,457	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA St Dept of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18101	23,549	-	23,549	-	1,2,3, 6

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA St Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18001	88,196	-	88,196	-	1,2,3, 6
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA St Dept of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18101	1,303	-	1,303	-	1,2,3, 6
Total CFDA 66.123:				113,048	-	113,048	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA St Department of Health)	Beach Monitoring and Notification Program Implementation Grants	66.472	01J49701	5,517	-	5,517	-	1,2,3, 6
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA St Office of the Secretary of State)	COVID 19 - 2018 HAVA Election Security Grants	90.404	EAC1651DB20 20DR- 61000001- 410001- EAC190800000 0	151,252	-	151,252	-	1,2,3, 6
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA St Office of the Secretary of State)	2018 HAVA Election Security Grants	90.404	EAC1651DB20 20XX-2020- 61000001- 410001- EAC190800000 0	90,863	-	90,863	-	1,2,3, 6
Total CFDA 90.404:				242,115	-	242,115	-	

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

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 St Department of Health)	COVID 19 - Public Health Emergency Preparedness	93.069	NU90TP922043	25,105	-	25,105	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Public Health Emergency Preparedness	93.069	NU90TP922043	43,490	-	43,490	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Public Health Emergency Preparedness	93.069	NU90TP922043	1,895	-	1,895	-	1,2,3, 6
			Total CFDA 93.069:	70,490	-	70,490	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE95007	22,176	-	22,176	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE95007	19,900	-	19,900	-	1,2,3, 6
			Total CFDA 93.136:	42,076	-	42,076	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	Immunization Cooperative Agreements	93.268	NH231P922619	2,598	-	2,598	-	1,2,3, 6

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

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 St Department of Health)	Immunization Cooperative Agreements	93.268	NH231P922619	25,597	-	25,597	-	5
			Total CFDA 93.268:	28,195	-	28,195	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	77,311	-	77,311	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922069	24,239	-	24,239	-	1,2,3, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922069	106,632	-	106,632	-	1,2,3, 6
			Total CFDA 93.354:	130,871	-	130,871	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Kitsap County Public Health)	National and State Tobacco Control Program	93.387	KPH 1708	6,897	-	6,897	-	1,2,3, 6

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Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

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 WA Dept of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1-609	195,957	-	195,957	-	1,2,3,6
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1-609	19,000	-	19,000	-	1,2,3,6
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1-609	65,358	-	65,358	-	1,2,3,6
				Total CFDA 93.563:	-	280,315	-	
Medicaid Cluster								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via MAA Health Care Authority)	Medical Assistance Program	93.778	02-68-MAA	8,189	-	8,189	-	1,2,3,6
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via MAA Health Care Authority)	Medical Assistance Program	93.778	K4641/11301-20-HCAMAC	59,517	-	59,517	-	1,2,3,6
				Total Medicaid Cluster:	-	67,706	-	

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Peninsula Community of Health)	Opioid STR	93.788	2020-006-CCHHS	51,041	-	51,041	-	1,2,3,6,8
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Peninsula Community of Health)	Opioid STR	93.788	2020-006-CCHHS	1,020	-	1,020	-	1,2,3,6
Total CFDA 93.788:				52,061	-	52,061	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	COVID 19 - Maternal and Child Health Services Block Grant to the States	93.994	B04MC32578	2,629	-	2,629	-	1,2,3,6
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B04MC32578	38,974	-	38,974	-	1,2,3,6
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA St Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B04MC32578	2,403	-	2,403	-	1,2,3,6
Total CFDA 93.994:				44,006	-	44,006	-	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA St Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	3319 FAS 190153	14,450	-	14,450	-	1,2,3,6

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D20-158	138,183	-	138,183	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Hazard Mitigation Grant	97.039	D17-008	2,967	-	2,967	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E20-197	40,054	-	40,054	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Emergency Management Performance Grants	97.042	E21-108	1,528	-	1,528	-	1,2,3, 6
Total CFDA 97.042:				41,582	-	41,582	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E18-175	30,805	-	30,805	25,953	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E20-053	210,558	-	210,558	154,761	1,2,3, 6

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E19-086	11,924	-	11,924	-	1,2,3, 6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Homeland Security Grant Program	97.067	E20-085	3,521	-	3,521	-	1,2,3, 6
Total CFDA 97.067:				256,808	-	256,808	180,714	
Total Federal Awards Expended:				9,724,425	-	9,724,425	2,586,171	

The accompanying notes are an integral part of this schedule.

Clallam County

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Note 1 – Basis of Accounting

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

Note 2 – Federal De Minimis Indirect Cost Rate

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

Note 3 – Federal Indirect Cost Rate(s)

The amount expended includes amounts claimed as an indirect cost recovery using an approved indirect cost rate of 33.81% percent.

Note 4 – Revolving Loan – Program Income

The County has a revolving loan program for low income housing renovation. Under this federal program, repayments to the County are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$-0- and is presented in this Schedule. The amount of principal and interest received in loan repayments for the year was \$25,000.

Note 5 – Noncash Awards

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

Note 6 – Program Costs

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

Note 7 – Donated PPE

The County received donations of PPE from the State of Washington Military Department purchased with federal funds. The unaudited value of the PPE as determined by the State was \$1,219,230. Donations were distributed at no cost to local hospitals, senior care facilities, first responder agencies and other health care and public health service providers experiencing shortages due to procurement challenges during the COVID-19 emergency.

Note 8 – Expenditure from Previous Reporting Years

The County found these items were not previously reported on the 2019 SEFA. The amounts are immaterial and therefore have been included in the 2020 SEFA.

Note 9 – Additional Funding for Prior Expenditures

During the final settlement of the grant for FHWA Guardrail Safety Project, WSDOT funded an additional \$8,399 for expenditures incurred in prior years that had not been reimbursed or reported in prior years.

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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