



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Clallam County

For the period January 1, 2022 through December 31, 2022

Published September 25, 2023

Report No. 1033321



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

September 25, 2023

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 activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Clallam County January 1, 2022 through December 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

<u>ALN</u>	<u>Program or Cluster Title</u>
15.614	Coastal Wetlands Planning, Protection and Restoration
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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

Clallam County January 1, 2022 through December 31, 2022

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, 2022, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 18, 2023.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 18, 2023

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, 2022 through December 31, 2022

Board of Commissioners
Clallam County
Port Angeles, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Clallam County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

September 18, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Clallam County **January 1, 2022 through December 31, 2022**

Board of Commissioners
Clallam County
Port Angeles, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Clallam County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Clallam County, and its changes in cash and investments, for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clallam County, as of December 31, 2022, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's financial statements. The accompanying 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2023 on our consideration of the County's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 18, 2023

Clallam County
January 1, 2022 through December 31, 2022

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2022
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022
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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2022
Schedule of Expenditures of Federal Awards – 2022
Notes to the Schedule of Expenditures of Federal Awards – 2022

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>101 Roads</u>	<u>110 OPSCAN Operations</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	58,761,245	15,663,886	8,626,754	1,147,224
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	45,426,531	24,422,409	8,312,923	736,497
320	Licenses and Permits	1,069,101	1,019,251	48,700	-
330	Intergovernmental Revenues	38,743,314	7,443,457	4,329,871	474,279
340	Charges for Goods and Services	15,355,404	7,454,970	93,180	455,053
350	Fines and Penalties	691,349	688,850	-	2,499
360	Miscellaneous Revenues	2,992,058	2,283,423	140,856	25,023
Total Revenues:		<u>104,277,757</u>	<u>43,312,360</u>	<u>12,925,530</u>	<u>1,693,351</u>
Expenditures					
510	General Government	25,172,718	16,888,590	94,626	-
520	Public Safety	19,797,304	15,946,727	500,000	1,392,827
530	Utilities	830,194	682	-	-
540	Transportation	13,780,154	-	11,215,351	-
550	Natural/Economic Environment	18,057,506	2,939,320	57,222	-
560	Social Services	9,826,008	2,433,813	-	-
570	Culture and Recreation	3,442,696	3,402,236	-	-
Total Expenditures:		<u>90,906,580</u>	<u>41,611,368</u>	<u>11,867,199</u>	<u>1,392,827</u>
Excess (Deficiency) Revenues over Expenditures:		13,371,177	1,700,992	1,058,331	300,524
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	106,069	-	-	-
397	Transfers-In	7,371,713	410,100	701,554	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,653,070	579,186	672,576	-
Total Other Increases in Fund Resources:		<u>9,130,852</u>	<u>989,286</u>	<u>1,374,130</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	6,793,948	252,708	3,284,056	145,522
591-593, 599	Debt Service	552,323	117,723	-	15,850
597	Transfers-Out	7,371,713	6,110,170	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	149,612	141,769	-	-
Total Other Decreases in Fund Resources:		<u>14,867,596</u>	<u>6,622,370</u>	<u>3,284,056</u>	<u>161,372</u>
Increase (Decrease) in Cash and Investments:		<u>7,634,433</u>	<u>(3,932,092)</u>	<u>(851,595)</u>	<u>139,152</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	34,283,780	1,607,847	430,645	1,185,260
50841	Committed	13,497	-	-	-
50851	Assigned	21,974,454	-	7,344,514	101,116
50891	Unassigned	10,123,947	10,123,947	-	-
Total Ending Cash and Investments		<u>66,395,678</u>	<u>11,731,794</u>	<u>7,775,159</u>	<u>1,286,376</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<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	6,091,308	13,518	9,626	1,856
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,263,333	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	4,156,152	-	87,687	-
340	Charges for Goods and Services	721,701	24,620	42,225	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	21,655	-	-	29
Total Revenues:		<u>7,162,841</u>	<u>24,620</u>	<u>129,912</u>	<u>29</u>
Expenditures					
510	General Government	-	-	187,896	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	7,029,761	-	-	-
570	Culture and Recreation	-	40,460	-	-
Total Expenditures:		<u>7,029,761</u>	<u>40,460</u>	<u>187,896</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		133,080	(15,840)	(57,984)	29
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	535,887	23,723	77,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	373,662	-	-	-
Total Other Increases in Fund Resources:		<u>909,549</u>	<u>23,723</u>	<u>77,000</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	370,100	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>370,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>672,529</u>	<u>7,883</u>	<u>19,016</u>	<u>29</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	5,110,102	21,401	-	-
50841	Committed	-	-	-	-
50851	Assigned	1,653,735	-	28,642	1,885
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>6,763,837</u>	<u>21,401</u>	<u>28,642</u>	<u>1,885</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<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	238,158	607,619	1,003	319,775
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	14,371	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	11,695	69,658	-	50,960
340	Charges for Goods and Services	78,005	42,628	14,686	67,047
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,468	-	-	107,433
Total Revenues:		<u>106,539</u>	<u>112,286</u>	<u>14,686</u>	<u>225,440</u>
Expenditures					
510	General Government	116,987	101,882	14,511	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	272,531
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>116,987</u>	<u>101,882</u>	<u>14,511</u>	<u>272,531</u>
Excess (Deficiency) Revenues over Expenditures:		(10,448)	10,404	175	(47,091)
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	699	-	-	-
Total Other Increases in Fund Resources:		<u>699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		(9,749)	10,404	175	(47,091)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	228,409	618,023	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	1,178	272,684
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>228,409</u>	<u>618,023</u>	<u>1,178</u>	<u>272,684</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		190 Conservation Futures	191 Emergency Communication Tax	192 Hotel/Motel Tax	193 Trial Court Improvements
Beginning Cash and Investments					
308	Beginning Cash and Investments	584,451	2,414,894	1,309,601	55,286
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	284,924	1,963,818	1,651,663	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	8	-	-	36,294
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	14,205	45,235	-	-
Total Revenues:		299,137	2,009,053	1,651,663	36,294
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	1,685,937	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	1,215,579	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,685,937	1,215,579	-
Excess (Deficiency) Revenues over Expenditures:		299,137	323,116	436,084	36,294
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	13,498	-	-	-
Total Other Increases in Fund Resources:		13,498	-	-	-
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:		312,635	323,116	436,084	(3,706)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	815,475	2,738,010	1,745,685	-
50841	Committed	-	-	-	-
50851	Assigned	81,611	-	-	51,580
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		897,086	2,738,010	1,745,685	51,580

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>194 Veterans' Relief</u>	<u>195 Federal Forest Replacement</u>	<u>196 American Rescue Plan Act</u>	<u>197 Affordable Housing Sales Tax</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	76,696	72,779	3,895,823	305,811
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	134,783	-	-	650,226
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	102,194	9,658	8,882,922	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,378	-	121,952	8,837
Total Revenues:		<u>238,355</u>	<u>9,658</u>	<u>9,004,874</u>	<u>659,063</u>
Expenditures					
510	General Government	-	-	4,674,049	-
520	Public Safety	-	-	271,813	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	356,434	-	-	6,000
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>356,434</u>	<u>-</u>	<u>4,945,862</u>	<u>6,000</u>
Excess (Deficiency) Revenues over Expenditures:		(118,079)	9,658	4,059,012	653,063
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	36,000	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	6,553	-	-	-
Total Other Increases in Fund Resources:		<u>42,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	220,863	-
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>-</u>	<u>-</u>	<u>220,863</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		(75,526)	9,658	3,838,149	653,063
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,170	82,437	7,610,106	958,874
50841	Committed	-	-	-	-
50851	Assigned	-	-	123,866	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>1,170</u>	<u>82,437</u>	<u>7,733,972</u>	<u>958,874</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>199 Opportunity Fund</u>	<u>274 RID #149</u>	<u>295 LID 2007-1</u>	<u>301 REET</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	5,304,374	33,655	8,949	2,160,181
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,768,086	-	-	1,611,817
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	40,140
340	Charges for Goods and Services	89,621	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	98,365	914	7,548	3
Total Revenues:		<u>1,956,072</u>	<u>914</u>	<u>7,548</u>	<u>1,651,960</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	327,400	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>327,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		1,628,672	914	7,548	1,651,960
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	-	-	-	-
Total Other Increases in Fund Resources:		<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	1,403,375
591-593, 599	Debt Service	416,297	2,453	-	-
597	Transfers-Out	-	-	3,000	37,350
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	7,843
Total Other Decreases in Fund Resources:		<u>416,297</u>	<u>2,453</u>	<u>3,000</u>	<u>1,448,568</u>
Increase (Decrease) in Cash and Investments:		<u>1,215,375</u>	<u>(1,539)</u>	<u>4,548</u>	<u>203,392</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,519,749	-	-	2,363,573
50841	Committed	-	-	13,497	-
50851	Assigned	-	32,116	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>6,519,749</u>	<u>32,116</u>	<u>13,497</u>	<u>2,363,573</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>302 REET 2</u>	<u>303 Lower Dungeness Floodplain</u>	<u>304 Dungeness Reservoir</u>	<u>305 Capital Projects</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,420,079	35,285	350,943	375,323
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,611,681	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	12,064,573	940,178	34,500
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		<u>1,611,681</u>	<u>12,064,573</u>	<u>940,178</u>	<u>34,500</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	12,244,537	1,000,917	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>12,244,537</u>	<u>1,000,917</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>1,611,681</u>	<u>(179,964)</u>	<u>(60,739)</u>	<u>34,500</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	3,400,000	403,715	1,020,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>3,400,000</u>	<u>403,715</u>	<u>1,020,000</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	48,935	-	-	368,440
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	811,093	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>860,028</u>	<u>-</u>	<u>-</u>	<u>368,440</u>
Increase (Decrease) in Cash and Investments:		<u>751,653</u>	<u>3,220,036</u>	<u>342,976</u>	<u>686,060</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,171,732	-	-	34,500
50841	Committed	-	-	-	-
50851	Assigned	-	3,255,321	693,919	1,026,883
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>2,171,732</u>	<u>3,255,321</u>	<u>693,919</u>	<u>1,061,383</u>

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>307 Capital Projects IT</u>	<u>309 Carlsborg Water Mitigation</u>	<u>402 Solid Waste</u>	<u>414 Clallam Bay Sewer</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	270,173	40,075	15,616	206,293
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	6,700	2,388
340	Charges for Goods and Services	-	-	36,095	297,038
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	45	8,471
Total Revenues:		-	-	42,840	307,897
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	41,850	555,323
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	41,850	555,323
Excess (Deficiency) Revenues over Expenditures:		-	-	990	(247,426)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	106,069
397	Transfers-In	392,013	37,350	6,550	291,902
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		392,013	37,350	6,550	397,971
Other Decreases in Fund Resources					
594-595	Capital Expenditures	569,033	52,889	-	84,501
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		569,033	52,889	-	84,501
Increase (Decrease) in Cash and Investments:		(177,020)	(15,539)	7,540	66,044
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	34,363
50841	Committed	-	-	-	-
50851	Assigned	93,153	24,536	23,156	237,974
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		93,153	24,536	23,156	272,337

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>424 Carlsborg Sewer</u>	<u>434 Bullman Beach Water System</u>	<u>503 ER & R</u>	<u>504 Risk Management</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	511,534	100,131	1,889,845	2,340,735
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	1,150	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	135,940	-	2,928,410	2,484,008
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	50,344	46,229	1,395	5,519
Total Revenues:		<u>187,434</u>	<u>46,229</u>	<u>2,929,805</u>	<u>2,489,527</u>
Expenditures					
510	General Government	-	-	-	2,535,150
520	Public Safety	-	-	-	-
530	Utilities	172,662	59,677	-	-
540	Transportation	-	-	2,564,803	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>172,662</u>	<u>59,677</u>	<u>2,564,803</u>	<u>2,535,150</u>
Excess (Deficiency) Revenues over Expenditures:		14,772	(13,448)	365,002	(45,623)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	27,443	-	1,318	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	6,419	-	477	-
Total Other Increases in Fund Resources:		<u>33,862</u>	<u>-</u>	<u>1,795</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	171,327	-	192,299	-
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>171,327</u>	<u>-</u>	<u>192,299</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(122,693)</u>	<u>(13,448)</u>	<u>174,498</u>	<u>(45,623)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,419	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	382,422	86,683	2,064,343	2,295,112
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>388,841</u>	<u>86,683</u>	<u>2,064,343</u>	<u>2,295,112</u>

The accompanying notes are an integral part of this statement.

Clallam County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>505 Worker's Compensation</u>	<u>506 Employee Health Care Benefit</u>	<u>507 Unemployment Compensation</u>
Beginning Cash and Investments				
308	Beginning Cash and Investments	2,004,663	41,537	215,786
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	362,882	-	27,295
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	731	-	-
Total Revenues:		<u>363,613</u>	<u>-</u>	<u>27,295</u>
Expenditures				
510	General Government	498,216	15,695	45,116
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		<u>498,216</u>	<u>15,695</u>	<u>45,116</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(134,603)</u>	<u>(15,695)</u>	<u>(17,821)</u>
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	4,158	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>4,158</u>	<u>-</u>
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(134,603)</u>	<u>(11,537)</u>	<u>(17,821)</u>
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	-	-	-
50841	Committed	-	-	-
50851	Assigned	1,870,060	30,000	197,965
50891	Unassigned	-	-	-
Total Ending Cash and Investments		<u>1,870,060</u>	<u>30,000</u>	<u>197,965</u>

The accompanying notes are an integral part of this statement.

Clallam County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	Investment Trust	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	90,438,394	72,306,092	97,907	18,034,395
388 & 588	Net Adjustments	-	-	-	-
310-390	Additions	427,815,005	60,906,589	13,777	366,894,639
510-590	Deductions	417,886,360	44,082,594	10,657	373,793,109
	Net Increase (Decrease) in Cash and Investments:	9,928,645	16,823,995	3,120	(6,898,470)
508	Ending Cash and Investments	100,367,039	89,130,087	101,027	11,135,925

The accompanying notes are an integral part of this statement.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

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 fund is the primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

Special Revenue Funds

These funds account for specific revenue sources that are restricted, committed, or assigned 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 or funds of the County on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds account for assets held by the County in a trustee capacity or as a custodian 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, 2022

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

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when 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. Cash and Investments - See Note 3.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded as capital 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, 9 and 12.

G. Other Resources and Other Uses

Other Resources consist mainly of sales of County-owned timber, proceeds from sale of equipment, and retainage deposits received. Other Uses consist mainly of retainage deposits disbursed and payment of *Blake* decision-related legal financial obligations (see Note 14).

H. Risk Management - See Note 10.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

I. Restricted and Committed Portion of Ending Cash and Investments

Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties, by 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, 2022, 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	\$ 1,607,847	-	Restricted relate to \$1,255,383 of unspent Section 605 of the American Rescue Plan Act's Local and Tribal Consistency Funds, \$83,487 of \$1 auditor surcharge for historic preservation funds pursuant to RCW 36.22.170, \$145,622 of District Court 1 unspent AOC Therapeutic Court grant funds, \$25,705 of Auditor unspent HAVA election security grants, \$1,538 of Sheriff unspent STOP grant funds, \$1,074 of HHS unspent OSS & PHRPR funds, \$10,000 retainage funds held related to General Fund-funded projects, and \$85,038 of surety/performance bond funds held pursuant to franchise agreements.
101	Roads	430,645	-	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 \$224,010 that has to be applied to another eligible Federal roads project for which full funding has not been committed, \$81,635 of Retainage Funds, and \$125,000 of donated funds restricted for use on the Calawah Bridge project.
110	OPSCAN Operations	1,185,260	-	Restricted consists of various Sheriff-managed funds that must be spent in accordance with terms of interlocal agreements (including OPNET Drug (\$76,057), OPSCAN Operations (\$717,262), RCWs governing Boating Safety (RCW 88.02.640 (8))-\$154,697), 911 Enhanced (RCW 82.148.030-\$138,458) and 24/7 Sobriety Program (RCW 36.28A.300-390-\$56,115), donated funds restricted to use in support of Sheriff Honor Guard functions (\$4,388), and required distributions with other law enforcement agencies pursuant to the terms of Homeland Security grant funds (\$38,283).
113	Health & Human Services	5,110,102	-	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-\$804,760), Chemical Dependency/Mental Health (RCW 82.14.460-\$3,155,150), and Affordable Housing (RCW 36.22.178-\$337,254). Also includes unspent Foundational Public Health Services grant funds (\$621,438), Olympic Community of Health Contributions (\$15,208), and \$176,292 related to the Working Advance from the Washington Department of Social & Health Services.
114	Law Library	21,401	-	Restricted consists of law library funds that must be spent in accordance with RCW 27.24.070.
122	Treasurer's O&M	228,409	-	Restricted consists of Treasurer O&M (\$144,428), REET Electronic Technology (\$76,796) and Land Assessment (\$7,185) funds that must be spent in accordance with RCW 84.56.020, 82.45.180 and 36.33.120-190, respectively.
124	Document Preservation	618,023	-	Restricted consists of Auditor required surcharge funds that must be spent on eligible historic document preservation costs in accordance with RCW 36.22.170.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

FUND #	FUND NAME	RESTRICTED ENDING CASH & INVESTMENTS	COMMITTED ENDING CASH & INVESTMENTS	CLASSIFICATION DETAILS
190	Conservation Futures	815,475	-	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	2,738,010	-	Restricted consists of funds governed by RCW 82.14.420 which must be used to finance, design, acquire, construct, equip, operate, and maintain emergency communication systems and facilities.
192	Hotel/Motel Tax	1,745,685	-	Restricted consists of hotel/motel lodging tax which must be used only for tourism activities or tourism-related facilities in accordance with RCW 67.28.180 and 67.28.181.
194	Veterans' Relief	1,170	-	Restricted consists of property tax levy and related interest funds that must be spent on eligible veteran's relief support efforts in accordance with RCW 73.08.08.
195	Federal Forest Replacement	82,437	-	Restricted consists of funds governed by Title III of the Secure Rural Schools Act, which requires funds be used for on county projects including search, rescue and emergency services, community service work camps, easements purchases, forest related educational opportunities, fire prevention and county planning, and community forestry purposes.
196	American Rescue Plan Act	7,610,106	-	Restricted consists of unspent grant funds received under Section 603 of the American Rescue Plan Act for State and Local Fiscal Recovery Funds granted to the County by the US Treasury, which must be used (1) to respond to the COVID-19 public health emergency or its negative impacts; (2) for provision of premium pay for eligible workers performing essential work during the COVID-19 public health emergency; (3) for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency; or (4) to make necessary investments in water, sewer, or broadband infrastructure.
197	Affordable Housing	958,874	-	Restricted consists of HB 1406 Affordable Housing Sales Tax Credit governed by RCW 82.14.540, SB 1590 Housing & Related Services Sales Tax governed by RCW 82.14.530, and CTED CDBG Housing Rehabilitation Revolving Loan program funds that can only be used in support of affordable housing initiatives.
199	Opportunity Fund	6,519,749	-	Restricted consists of Rural Counties Public Facilities Sales Tax that under RCW 82.14.370 must be used to finance public facilities serving economic development purposes, finance personnel in economic development offices, or provide affordable workforce housing infrastructure or facilities.
295	LID 2007-1		13,497	Committed under Resolution 88-2007 and 98-2009 creating a LID for purpose of providing sewer facilities.
301	REET	2,363,573	-	Restricted consists of real estate excise taxes that must be used on eligible capital projects and maintenance of capital projects in accordance with RCW 82.45 and 82.46 and retainage funds held related to certain REET-funded projects of \$7,843.
302	REET 2	2,171,732	-	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.
305	Capital Projects	34,500		Restricted consists of grant funds received in advance from Department of Commerce for the construction of a First Aid/Mother's Station at the Fairgrounds of \$34,500, to be constructed in 2023.
414	Clallam Bay Sewer	34,363	-	Restricted consists of retainage funds held related to certain capital projects of \$34,363.
424	Carlsborg Sewer	6,419	-	Restricted consists of retainage funds held related to certain capital projects of \$6,419.
TOTAL-- STATEMENT C-4		\$ 34,283,780	\$ 13,497	

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

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 2023 general fund budget as originally approved in December 2022 included a deficit of \$1,325,711.

2. Amending the Budget

The County Administrator is authorized to transfer budget amounts between departments within any fund/department. However, any revisions that alter the total expenditures of the County, amount of capital purchases, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County Commissioners. Revisions within funds are allowed, but supplemental or additional appropriations must be approved by the legislative authority following public hearings. The County’s budget was amended 168 times during 2022.

3. The appropriated and actual expenditures for the legally adopted 2022 budgets were:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
GENERAL FUND			
Assessor	\$ 2,032,121	\$ 1,951,195	\$ 80,926
Auditor	1,711,289	1,533,012	178,277
Treasurer	777,581	738,273	39,308
BOCC - Operations	910,054	832,975	77,079
Boundary Review Board	1,780	150	1,630
Port Crescent Cemetery	3,000	682	2,318
Board of Equalization	83,052	64,119	18,933
Non Departmental	2,864,349	2,606,697	257,652
Operating Transfers Out	5,388,507	3,963,302	1,425,205
DCD - Administration	585,512	534,687	50,825
DCD - Environmental Quality	427,115	252,124	174,991
DCD - Permit Center	1,285,056	1,060,749	224,307
DCD - Planning	601,307	403,940	197,367
Hearing Examiner	84,425	57,555	26,870
Information Technology	2,314,099	2,140,654	173,445
Geographic Information System (GIS)	202,922	193,821	9,101

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Human Resources	\$ 724,069	\$ 599,411	\$ 124,658
Environmental Health	1,733,874	1,291,990	441,884
HHS - Administration	783,031	685,146	97,885
Sheriff - Operations	8,122,379	7,714,416	407,963
Sheriff - Community Projects	0	0	0
Animal Control	214,498	200,143	14,355
Search and Rescue	20,865	13,343	7,522
Jail	4,476,275	3,998,734	477,541
Jail Medical	1,037,274	935,135	102,139
Emergency Services	424,920	357,742	67,178
Indigent Defense	1,605,245	1,605,245	0
Prosecuting Attorney	3,127,504	2,863,519	263,985
Child Support	316,580	309,792	6,788
Coroner	421,571	269,719	151,852
Juvenile Services	3,759,392	3,192,704	566,688
Superior Court	1,904,875	1,678,123	226,752
District Court I	1,389,135	1,035,341	353,794
District Court II	416,374	380,847	35,527
Clerk	1,141,142	1,097,539	43,603
Parks and Facilities	2,730,422	2,599,084	131,338
Fair	481,243	474,527	6,716
WSU Extension	424,349	399,955	24,394
Flood Control	229,358	197,348	32,010
TOTAL GENERAL FUND	\$ 54,756,544	\$ 48,233,738	\$ 6,522,806
 OTHER FUNDS			
Roads	16,474,215	15,151,255	1,322,960
Honor Guard Donation	3,912	0	3,912
Boating Safety Recreational and Boating Fund	61,913	22,769	39,144
VRF Boating Program	81,406	12,629	68,777
Sheriff - Office Drug Fund	0	0	0
Sheriff - OPNET Drug	189,065	165,676	23,389
Nine-One-One Enhanced	915,127	755,486	159,641
OPSCAN Operations	431,479	324,143	107,336
Sheriff - Operation Stonegarden Stonegarden Grant	553,587	227,279	326,308
24/7 Sobriety Program	59,046	4,963	54,083
Sheriff - Inmate Commissary and Welfare	64,320	41,254	23,066
Health and Human Services - Operations	3,376,517	2,630,311	746,206
Homeless Task Force	645,093	687,477	-42,384 (1)
Chemical Dependency Mental Health	1,961,970	1,603,428	358,542
Affordable Housing	85,000	53,186	31,814
Developmental Disabilities	2,022,789	1,791,550	231,239
Foundational Public Health Services	637,514	633,909	3,605

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Law Library	\$ 47,340	\$ 40,460	\$ 6,880
Local Crime Victim Comp/Local	193,583	187,896	5,687
Treasurer - Operation and Maintenance	126,117	89,580	36,537
REET Electronic Technology	8,704	8,694	10
Land Assessment	18,751	18,713	38
Document Preservation	464,659	101,882	362,777
Dispute Resolution	15,135	8,635	6,500
Courthouse Facilitator	8,520	5,876	2,644
Noxious Weed Control	304,478	249,825	54,653
LMD#2 Lake Sutherland	26,040	22,706	3,334
Conservation Futures	600,000	0	600,000
Trial Court Improvements	40,000	40,000	0
Veterans Relief	375,215	356,434	18,781
Federal Forest Replacement	30,000	0	30,000
Hotel/Motel Tax	1,553,358	1,215,579	337,779
Opportunity Fund	1,031,481	743,697	287,784
Affordable Housing Sales Tax	73,980	6,000	67,980
American Rescue Plan Act	12,446,311	5,166,725	7,279,586
Emergency Communication Tax	2,268,200	1,685,937	582,263
RID #149 Osborn Road	2,500	2,453	47
LID 3rd Street Sewer Line	3,000	3,000	0
Real Estate Excise Tax Project	3,004,415	1,448,568	1,555,847
Real Estate Excise Tax 2	2,643,197	860,028	1,783,169
Lwr Dungeness Floodplain	12,574,703	12,244,537	330,166
Dungeness Reservoir	4,505,363	1,000,917	3,504,446
Capital Projects	2,955,000	368,440	2,586,560
Capital Projects Info Tech	786,000	569,033	216,967
Broadband Infrastructure Capital Pr	0	0	0
Carlsborg Water Mitigation	250,000	52,889	197,111
Solid Waste	106,665	41,850	64,815
Clallam Bay-Seki Sewer	2,919,421	639,824	2,279,597
Clallam Bay-Seki Sewer Cap Replace	0	0	0
Carlsborg Sewer	847,258	343,989	503,269
Bullman Beach Water System	59,740	59,677	63
Equipment Rental and Revolving	3,235,287	2,757,102	478,185
Risk Management	2,596,971	2,535,150	61,821
Workers Compensation Claims	691,607	498,216	193,391
Employee Health Care Benefit	25,000	15,695	9,305
Unemployment Compensation	52,611	45,116	7,495
TOTAL OTHER FUNDS	\$ 84,453,563	\$ 57,540,438	\$ 26,913,125
TOTAL ALL FUNDS	\$ 139,210,107	\$ 105,774,176	\$ 33,435,931

(1) Budget overspend variance due to elimination of budgeted and actual intrafund transfers between Health & Human Services Funds. Health & Human Services budget was underspent on a combined basis.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

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 amortized cost.

As of December 31, 2022 the County had the following deposits and investments:

	County Owned Deposits & Investments	Deposits & Investments Held by County as Custodian	Total
Bank Deposits	\$ 1,300,901	\$ 1,766,890	\$ 3,067,791
Certificates of Deposit	19,451,690	6,028,409	25,480,099
US Government Securities	3,146,137	745,750	3,891,887
State Local Government Investment Pool	<u>42,496,950</u>	<u>91,825,990</u>	<u>134,322,940</u>
 Total	 <u>\$ 66,395,678</u>	 <u>\$ 100,367,039</u>	 <u>\$ 166,762,717</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. 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.

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the County would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The County's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the County or its agent in the government's name.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

NOTE 4 – INVESTMENT TRUST FUND

The Investment Trust Fund sponsored by the County was established on June 16, 1986. Revised Code of Washington (“RCW”) 36.29.022, 36.29.010, and 36.29.020 authorizes the County Treasurer to invest its surplus cash and any funds of special purpose districts which are not required for immediate expenditure and are in the custody or control of the County’s Treasurer. The Investment Trust Fund’s 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 County has not provided nor obtained any legally binding guarantees during the year ended December 31, 2022, to support the value of shares in the trust.

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

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

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

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

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 2022 was \$0.9884105415 per \$1,000 on a total assessed valuation of \$11,968,469,197 for a regular levy total of \$11,829,761.12. The County's total 2022 levy rate of \$0.9884105415 was comprised of four funds: General at \$0.9509605433; Veterans' Relief at \$.0112499993; Land Assessment at \$.0011999997; and Developmental Disabilities at \$.0249999992.

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, 2021 there was a loan payable balance outstanding payable by the Road Improvement funds as a group to the Roads fund in the total of \$3,528. There were no new loans on this balance in 2022, and after payments and adjustments of \$3,136 the balance at December 31, 2022 was \$392.

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, 2022. 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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

of the Incubator facilities. The County is obligated to repay the loan in installments beginning in 2008 and continuing through 2025. Interest on the loan is stated at 1%. At December 31, 2022 the principal outstanding on this loan payable was \$141,737 due in annual payments of \$48,194 through 2025.

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

Washington State PWB Loan – In 2013, Clallam County Public Utility District (PUD) signed a loan agreement with the Washington State Public Works Board for a maximum of \$10,000,000 to partially fund the construction of a wastewater facility in the Carlsborg Urban Growth Area in Clallam County. Subsequently in 2013, Clallam County assumed this loan from the PUD as a general obligation debt. Interest on the loan is stated at 0.25%. As of December 31, 2022, the principal outstanding on this loan payable was \$8,965,517, with annual principal payments due of \$344,828 through June 1, 2048.

Washington State DOE SRF Standard and Forgivable Principal Loans 00040 – In November 2019, Clallam County Public Works entered into a Water Quality Combined Financial Assistance Agreement with the Washington State Department of Ecology (“DOE”) that provides grant, standard loan and forgivable principal loan funding to support the County’s replacement of wastewater collection facilities infrastructure serving the communities of Sekiu and Clallam Bay. This agreement provides loan borrowing capacity to the County totaling up to \$2,299,771, consisting of up to a \$1,865,271 SRF Standard Loan and up to \$434,500 in a SRF Forgivable Principal Loan. Interest on the SRF Standard Loan is at 2%, with semi-annual principal and interest payments due of \$5,744 beginning July 31, 2024 through July 31, 2043 based on borrowings outstanding as of December 31, 2022 and an original estimated project completion date of October 31, 2023. No payments or interest are due under the SRF Forgivable Principal Loan, with forgiveness subject to satisfactory adherence to the terms and conditions of the DOE project agreement and completion of the project work. Preliminary project design and planning for this project commenced in 2020 with construction beginning in 2021. The County intends to pursue an extension of the estimated completed date of this project from DOE. As of December 31, 2022, principal outstanding under the SRF Standard Loan and SRF Forgivable Principal Loan totaled \$182,726 and \$83,661, respectively.

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

in 2021 and is expected to be completed in 2023. As of December 31, 2022, principal outstanding under the SRF Forgivable Principal Loan 00138 totaled \$87,742.

The total debt service requirements for these general obligation bonds based on borrowings outstanding as of December 31, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	391,603	23,831	415,434
2024	394,076	26,242	420,318
2025	400,444	24,757	425,201
2026	352,885	23,258	376,143
2027	353,049	22,234	375,283
2028-2032	1,767,799	95,679	1,863,478
2033-2037	1,772,386	69,540	1,841,926
2038-2042	1,777,455	42,919	1,820,374
2043-2047	1,735,455	17,411	1,752,866
2048	344,829	862	345,691
TOTAL	\$ 9,289,981	\$ 346,733	\$ 9,636,714

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 December 2054. If this revenue stream is not sufficient, the County will be obligated to allocate other resources to make the payments. In the opinion of Clallam County management, such other resources will be available to meet these obligations without materially affecting the County's other obligations and operations.

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

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

Working Advance from Department of Social and Health Services – The Washington State Department of Social and Health Services (“DSHS”) has historically provided a working advance to our Developmental Disabilities fund to alleviate cash flow problems the fund might experience due to the lag time between when expenditures are incurred by the fund and when it receives reimbursement for such expenditures from DSHS. The amount of working advance afforded by DSHS to this fund is subject to adjustment on June 30th of each year depending on DSHS’ assessment of funding need. As of December 31, 2022, 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, 2022. 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, 2022 was \$3,521,686 which was an increase of \$161,046 from the end of 2021.
- C. Asset Retirement Obligations – The County has a total of four underground fuel storage tanks (USTs) for which Asset Retirement Obligations were deemed appropriate to be recorded, 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 four USTs will eventually require special disposal and decommissioning based on their age and design. As of December 31, 2022, the current cost to decommission and remove these USTs, as adjusted for inflation, is estimated to total approximately \$560,606. While the County has identified six other USTs in use, by principally the Roads department, these USTs are of a newer design with additional safeguards that their retirement is not deemed reasonably certain, nor is the current cost of their decommissioning reasonably estimated, at this time.

NOTE 8 - LEASES

During the year ended December 31, 2022, the County adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

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The County leases land under a lease agreement with the Port of Port Angeles that began in 2018 and will end in February 2038 (not including term extensions that provide for up to two possible extensions of 10 years each).

The County leases building office and storage space from various lessors under lease agreements that range from 5 to 10 years (not including term extensions). The individual leases began as early as 2018 and will end as late as 2029 (not including term extensions that provide for multiple extensions of up to 5 years). Terms vary from one lease to another.

The County leases machinery from Pitney Bowes for \$2,073 a quarter under a 5-year lease agreement that began in 2022.

The total amount paid for leases in 2022 was \$133,573. As of December 31, 2022, the future minimum lease payments under these leases, including expected lease term extensions as provided for within the lease agreements, are as follows:

Year ended December 31	Total
2023	\$ 131,894
2024	110,613
2025	78,375
2026	74,596
2027	49,557
2028-2032	251,524
2033-2037	284,135
2038-2042	310,653
2043-2047	370,029
2048-2052	440,754
2053-2057	524,996
2058	<u>20,853</u>
TOTAL	<u>\$ 2,647,978</u>

NOTE 9 - PENSION PLANS

Substantially all Clallam County full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans, including PERS 1, PERS 2/3, PSERS 2, LEOFF 1, and LEOFF 2.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

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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

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

At June 30, 2022 the County's employer contributions and proportionate share of the collective net pension assets, net of pension liabilities as reported on Schedule 09, were as follows:

Plan	Employer Contribution	Allocation %	Liability (Asset)
PERS 1	\$ 886,375	0.14%	\$ 4,027,002
PERS 2/3	\$ 1,306,680	0.16%	(6,032,332)
LEOFF 1	\$ -	0.02%	(495,467)
LEOFF 2	\$ 178,795	0.09%	(2,347,058)
PSERS 2	\$ 164,564	0.37%	(265,965)

LEOFF 1

The County participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF 2

The County also participates in the LEOFF Plan 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.

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NOTE 10 - 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, 2022, 25 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management, education, and claims administration. The Pool’s liability program provides coverage for general liability, public officials liability, police professional liability, employment practices liability, and automobile liability. County deductibles range from \$10,000 to \$500,000. Reinsurance is purchased in several layers up to the policy limits of \$10,000,000. Members may purchase an optional \$5,000,000 excess of \$20,000,000 layer of coverage. Allocated Loss Adjustment Expense (ALAE) is combined with losses for purposes of the Pool retention, excess insurance, and deductibles. For losses occurring in 2022, Clallam County selected a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with Self-Insured Retentions (“SIRs”) equal to the amount of the layer of coverage below. For the Pool’s 2019-20 through 2021-22 Fiscal Years, the Pool’s SIR was \$2,000,000 and for the Pool’s 2021-22 Fiscal Year, the Pool’s SIR was \$3,000,000. The other insurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30,000,000 (lowest reinsured layer), and \$50,000,000, (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. For the 2021-22 Fiscal Year, 16 of the Pool’s 24 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year’s assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool

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fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

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

During 2021-22, Clallam County was also one of twenty-four (24) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Clallam County also participates in the jointly purchased cyber risk and security coverage from a highly rated commercial insurer. This group-purchased cyber coverage provides limits of \$2,000,000 per claim and \$5,000,000 in the aggregate. For 2022, the Pool's SIR for cyber claims was \$250,000 from January 1 through December 31, with Clallam County having no deductible.

Beginning in the 2021-22 Fiscal Year, Clallam County was one of 22 counties that participated in a group purchased crime policy, which included limits of \$2,000,000 and with a county deductible of \$25,000.

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

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

During 2021-22, the WCRP's assets increased to \$57,838,522 while its liabilities also increased to \$35,879,265. The Pool's net position ended at \$22,917,345. The Pool more than satisfies the

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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, 2022 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

B. Unemployment and Workers’ Compensation

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

The County has elected to partially self-insure its risk for workers’ compensation claims. The County is responsible for workers’ compensation claims up to \$550,000 per occurrence. Losses in excess of \$550,000 are insured through excess workers’ compensation insurance policies. County Management considers the reserve levels at the end of 2022 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 11 - CLAIMS AND JUDGMENTS

Clallam County was named as the defendant in four legal actions as of the end of 2022 of which all four qualify for coverage under the WCRP. See Note 10 - 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 2022.

NOTE 12 – 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, 2022, the County’s plan had six members, all of which are retirees. As of December 31, 2022, the County’s total OPEB liability was \$3,012,633, as calculated using the alternative measurement

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method online tool available through the Office of the Washington State Actuary, and represents a decrease of (\$626,959) from the end of 2021. For the year ended December 31, 2022, the County paid total medical costs for the members of \$24,435. In addition, the County also paid \$28,181 in medical insurance premiums for four of these retired employees in 2022. Only LEOFF 1 employees are eligible for this benefit.

NOTE 13 – COVID-19 PUBLIC HEALTH EMERGENCY

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

During the third year of this public health emergency, economic activity in 2022 within the County overall continued the rebound witnessed since the 2nd half of 2020, albeit at lower level of economic growth as compared to 2021, which was driven by significant economic stimulus provided in 2021 by the Federal government. In 2022, negative economic impacts of the COVID pandemic continued but transitioned from those impacts resulting from business interruptions and closures to impacts resulting from the highest levels of inflation experienced in over 40 years in the United States stemming from continued supply chain and labor challenges during the COVID pandemic, resulting in a significant rise in interest rates by the Federal Reserve Bank, increased economic stress on households in Clallam County despite historically low unemployment, and continued negative economic impacts on nonprofits serving community needs and disproportionately impacted populations during the pandemic.

The County continued to incur significant additional expenditures relating to its emergency response to the COVID pandemic, much of which related to addressing the continued negative economic impacts of COVID-19 in its communities that were funded through federal direct and pass-through grants received under the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) section of ARPA. In May 2021, the County was awarded a total of \$15,020,640 from the United States Department of the Treasury, of which \$7,510,320 was received in May 2021, and the remaining \$7,510,320 was received in June 2022. Based on eligible usage guidance outlined in the SLFRF Final Rule released in early 2022, input received from multiple task groups created to identify community needs created during the COVID-19 emergency, and evaluation of applications received by the County from entities requesting SLFRF funding assistance, the County Board of Commissioners approved allocations of SLFRF funds awarded to the County to provide economic assistance, public health, and water, sewer and broadband infrastructure funding

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to several projects. As reported to the United States Treasury in the County's 4th Quarter 2022 SLFRF Project & Expenditure Report filed in January 2023, these obligated projects as of December 31, 2022 included:

ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2022	Total ARPA Expenditures Incurred To-Date Thru 12/31/2022	Project Description
2. - Negative Economic Impacts	2.2 Household Assistance: Rent, Mortgage, and Utility Aid	Clallam County PUD Residential and Commercial Utility Assistance	\$ 350,000	\$ 264,466	Via a Subrecipient Agreement entered into with Clallam County PUD, this project provides utility payment assistance to residents, small businesses, and nonprofits experiencing severe financial hardship due to job loss, layoff, reduction of work hours, reduced revenues or other negative economic impacts or circumstances resulting from the COVID-19 emergency needed to avoid utility disconnect that would endanger the health and well-being of such impacted residents, and impair the ability of businesses to continue to operate. To date, 429 households and small businesses had received ARPA-funded utility payment assistance.
2. - Negative Economic Impacts	2.29 Assistance to Small Businesses: Loans or Grants to Mitigate Financial Hardship	Clallam Economic Development Council - Lifeboat3--Small Businesses	\$ 2,484,788	\$ 2,413,495	Via a Subrecipient Agreement entered into with Clallam Economic Development Council to provide small business relief. \$2,500,000 allocated to eligible small businesses and nonprofits located in Clallam County (of which \$2,484,788 has been obligated to date to small businesses) whose operations and financial condition were adversely impacted by the COVID-19 public health emergency, including a reduction in revenues, increase in operating costs related to implementing COVID-19 prevention or mitigation tactics or due to other operating cost increases experienced during the pandemic, business disruption or closure, event cancellation, and/or other similar circumstances during the pandemic that created a financial hardship. Under the EDC Lifeboat 3 grant program funded by these ARPA funds, a total of 160 small businesses in Clallam County received assistance through December 31, 2022.
2. - Negative Economic Impacts	2.34 Assistance to Non-Profits: Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)	Clallam Economic Development Council - Lifeboat 3 Economic Assistance--NonProfits	\$ 302,000	\$ 302,000	Via a Subrecipient Agreement entered into with Clallam Economic Development Council to provide small business relief. \$2,500,000 allocated to eligible small businesses and nonprofits located in Clallam County (of which \$162,000 has been obligated to date to nonprofits) whose operations and financial condition were adversely impacted by the COVID-19 public health emergency, including a reduction in revenues, increase in operating costs related to implementing COVID-19 prevention or mitigation tactics or due to other operating cost increases experienced during the pandemic, business disruption or closure, event cancellation, and/or other similar circumstances during the pandemic that created a financial hardship. Under the EDC Lifeboat 3 grant program funded by these ARPA funds, a total of 30 nonprofits in Clallam County had received assistance through December 31, 2022.
2. - Negative Economic Impacts	2. 11 Healthy Childhood Environments: Child Care	Clallam Economic Development Council -Lifeboat 3 Economic Assistance-- Childcare	\$ 469,064	\$ 469,064	Via a Subrecipient Agreement entered into with Clallam Economic Development Council to provide \$469,064 to small businesses, nonprofits and special districts that provide child care services in Clallam County who were negatively impacted by the COVID-19 pandemic either through lower revenues caused by COVID restricted class sizes, increased staffing and other program costs to accommodate greater demand for childcare services during COVID due to school closures, and additional COVID mitigation costs. A total of 23 child care services small businesses, non-profits and special districts in Clallam County had received assistance through December 31, 2022.

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ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2022	Total ARPA Expenditures Incurred To-Date Thru 12/31/2022	Project Description
2. - Negative Economic Impacts	2.15 Long-term Housing Security: Affordable Housing	Peninsula Housing Authority	\$ 210,000	\$ 210,000	Via a Subrecipient Agreement entered into with Peninsula Housing Authority to cover any gaps in funding for six affordable home projects currently on hold and other similar affordable housing projects located in Clallam County that low income families are participating in building through its Mutual Self-Help Program and that qualify for assistance under its Down Payment Assistance Program. Funds are needed to address immediate cash flow needs of the Mutual Self-Help program which relies on available funding through the Subrecipient's Down Payment Assistance program to cover home build funding gaps once USDA loan funds are exhausted.
2. - Negative Economic Impacts	2.15 Long-term Housing Security: Affordable Housing	Peninsula Behavioral Health - All View Motel Affordable Housing Project	\$ 727,411	\$ 727,411	Via a Direct Grant Agreement entered into with Peninsula Behavioral Health to support its purchase of the All View Motel for conversion into a supportive affordable housing project of 27 units to house up to 41 individuals or families with serious mental health needs and/or significant substance use disorders that are in need of permanent stable housing with onsite services to be owned, operated and staffed by Peninsula Behavioral Health.
2. - Negative Economic Impacts	2.15 Long-term Housing Security: Affordable Housing	Habitat for Humanity	\$ 100,000	\$ 100,000	Via a Subrecipient Agreement to be disbursed to Clallam County Habitat for Humanity to support the completion of affordable housing projects in Clallam County for low income households with incomes of 30-80% of Clallam County's AMI. Such funding is needed to address immediate cash flow constraints that are hindering Habitat for Humanity's ability to cover funding gaps in planned affordable housing projects due to increased building material costs. These funds will be used for affordable housing construction costs, including contractor and subcontractor and building material expenses for current housing unit projects, or for restarted housing projects that were previously placed on hold due to high construction material or contractor/subcontractor costs encountered during the COVID-19 pandemic. A total of 2 affordable housing projects in Port Angeles were completed by the end of 2021 utilizing the ARPA funds provided.
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Clallam Bay - Sekiu New Hope Food Bank	\$ 250,000	\$ 194,922	Via a Direct Grant Agreement entered into with The Cornerstone PEC of Clallam Bay-Sekiu, a non-profit organization that operates a food bank serving residents of Clallam Bay-Sekiu and surrounding areas within Clallam County who are experiencing food insecurity during the COVID-19 public health emergency. Their current food bank facility (a 30+ year-old single-wide mobile home of approximately 720 square feet) has, due to the building's age and construction quality, fallen into a state of severe disrepair, and as a result of pest infestation, electrical wiring problems and other issues is no longer safe or viable for the Recipient to continue operating as a food bank. In addition to the inadequacy of the Recipient's current facility from a food storage capacity and operating safety perspective, the Recipient's current facility is located approximately 3 miles outside of Clallam Bay, which greatly hinders its ability to service the food security needs of low income residents in the area, many of which lack a means of transportation to access the Recipient's facilities. In order to address its facility deficiencies, the Recipient has identified an approximate 1,300 square foot replacement building located at 33 Bogachiel St, Clallam Bay, WA, at the center of Clallam Bay that is within close proximity of several local organizations that support the needs of the community including the Lions Club, health clinic, community center, and local church. This agreement is to support the recipient's purchase and renovation of the new facility for the food bank in Clallam Bay.
3. Negative Economic Impacts--Services to Disproportionately Impacted Communities	3.11 Housing Support: Services for Unhoused Persons	North Olympic Regional Veteran's Housing Network-- Hobucket House	\$ 59,903	\$ 59,903	Via a Direct Grant Agreement entered into with North Olympic Veteran's Housing Network to be disbursed to the Recipient to support completion of the Recipient's "Hobucket House" affordable housing group home project for homeless, disabled Veterans in Clallam County using federal ARPA funding. Funding was needed to address immediate cash flow constraints that are hindering the Recipient's ability to cover funding gaps in this planned affordable housing group home project located in Forks, WA due to increased building material costs resulting from the supply chain disruptions created during the COVID-19 public health emergency.

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ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2022	Total ARPA Expenditures Incurred To-Date Thru 12/31/2022	Project Description
2 - Negative Economic Impacts	2. 35 Aid to Tourism, Travel, or Hospitality	Black Ball Transportation Inc Economic Assistance Grant	\$ 1,250,000	\$ 1,081,446	Via a Direct Grant Agreement entered into with Black Ball Transportation, Inc. to support the preservation of the Recipient's private marine transportation activities and jobs associated with such activities that were severely negatively impacted by the closure of the United States- Canada border during the COVID-19 pandemic by providing ARPA-funded economic support assistance.
1.- Public Health	1.1 COVID-19 Vaccination	COVID-19 Vaccination Marketing Campaign	\$ 21,000	\$ 20,017	COVID-19 vaccination marketing campaign for Clallam County to provide information about COVID-19 through a Clallam County Cares website that provides the community with COVID-19 information, vaccine locator, and Clallam County Statistics.
2. Negative Economic Impacts	2.11 Healthy Childhood Environments: Child Care	Child Care Recruitment Job Fair	\$ 1,215	\$ 1,215	Sponsorship funding for a recruitment fair to encourage participants to consider a career in childcare and early childhood education and accept job openings currently available in most childcare centers and facilities across the county. Current staffing shortage has depressed child care slots by over 25% in a context of an already severe shortage of slots available. Funds were used for advertising in the local paper; Peninsula Daily News, 3 times and a City Banner (cost and installation).
1.- Public Health	1.7 Capital Investments or Physical Plant Changes to Public Facilities	Tek84 Full Body Scanner for County Jail	\$ 183,872	\$ 183,872	Via an Agreement/Purchase Order with Tek84, project is for the purchase of the Tek84 Intercept Full Body Scanner System. This system consists of a thermal body scanner that will be employed in scanning all incoming inmates to the County jail, minimizing the amount of time and physical proximity needed to conduct a search for contraband, resulting in reduced risk of potential COVID-19 exposure to Jail staff during the processing of incoming inmates.
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Port Angeles Food Bank	\$ 1,348,000	\$ 1,321,939	Via a Direct Grant Agreement entered into with Port Angeles Food Bank to support the renovation costs of their New Facility and to support staff salaries. \$1,300,000 was used by the Recipient to fund renovation costs to make its New Facility suitable as a food bank capable of handling much higher demand for food assistance both during and following the COVID-19 pandemic, including construction, building and material costs. The remaining \$48,000 is to be used by the Recipient for staff salaries, wages, benefits, and premium pay.
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Sequim Food Bank	\$ 185,950	\$ -	Via a Direct Grant Agreement entered into with Sequim Food Bank to support pre-construction costs for a new storage facility and staff salaries. \$150,000 may be used by the Recipient to fund pre-construction costs of a new storage facility on the vacant lot adjacent to the current food bank. \$35,950 may be used by the Recipient for staff salaries, wages, and benefits.
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Forks Community Food Bank	\$ 105,000	\$ -	Via a Direct Grant Agreement entered into with the Recipient to purchase and install a walk-in freezer at the Forks Community Food Bank and funds to transition the executive director position from a volunteer status to a paid full-time position and any other necessary additional staffing costs needed to provide adequate staffing and administrative support to the operations. \$35,000 will be used to purchase and install the walk-in freezer and \$70,000 will be used to fund the transition of the executive director position from a part-time volunteer position to a full-time paid position due to increased demands placed on the role, and for other necessary additional staffing costs.
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Sequim Open Aire Market	\$ 4,500	\$ -	Via a Direct Grant Agreement entered into with Sequim Open Aire Market, \$4,500 may be used for the augmenting of fundraising and sponsorship funds that have diminished due to the COVID-19 public health emergency. Funds will be used to continue providing an unlimited one-for-one match for low-income shoppers for the purchase of healthy food choices through the SNAP Market Match Program and to provide funds needed to support a \$20.00 or more incentive to the Senior Farmers Market Nutrition Program and Women Infant and Children Farmers Market Nutrition Program users.

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ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2022	Total ARPA Expenditures Incurred To-Date Thru 12/31/2022	Project Description
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	Port Angeles Farmer's Market	\$ 6,500	\$ -	Via a Direct Grant Agreement entered into with Port Angeles Farmer's Market, \$6,500 may be used for the augmenting of fundraising and sponsorship funds that have diminished due to the COVID-19 public health emergency. Funds will be used to continue providing an unlimited one-for-one match for low-income shoppers for the purchase of healthy food choices through the SNAP Market Match Program and to provide funds needed to support a \$10.00 incentive to the Senior Farmers Market Nutrition Program and Women Infant and Children Farmers Market Nutrition Program users.
2 - Negative Economic Impacts	2.1 Household Assistance: Food Programs	West Olympic Peninsula Betterment Association	\$ 18,000	\$ 18,000	Via a Direct Grant Agreement entered into with West Olympic Peninsula betterment Association to purchase materials directly associated with or connected to the, "Feed the 5000" community meal service. \$18,000 may be used by the Recipient in providing a meal service to assist residents of the City of Forks and surrounding areas experiencing food insecurity during the COVID-19 public health emergency.
3. Public Health - Negative Economic Impact: Public Sector Capacity	3.2 Rehiring Public Sector Staff	County Need-- Clallam Prosecuting Attorney--Additl Staff Funding for Case Back Log	\$ 104,217	\$ 104,217	Pursuant to US Treasury FAQ 2.19 under the SFLRF guidance, costs may be incurred to address COVID-related backlog in court cases may be funded through ARPA funds. The County's BOCC approved allocating ARPA funding to address and clear the significant COVID court case backlog by hiring additional staff in the Clallam County Prosecuting Attorney's office in 2022.
2. - Negative Economic Impacts	2.34 Assistance to Non-Profits: Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)	United Way - Clallam Resilience Project	\$ 59,000	\$ 9,446	Via a Direct Grant Agreement entered into with United Way of Clallam County to foster resilience through fostering trauma-sensitive care and expanding the understanding of NEAR (Neuroscience, Epigenetics, Adverse Childhood Experiences, and Resilience). Funds will be used for United Way to continue to host monthly Community Meetings that primarily focus on providing recovery tools for those who were severely impacted by the COVID-19 public health emergency. Funds will also be used to host a Collaborative Learning Academy for local businesses and agencies to instill trauma sensitive and healing approaches, practices, systems and environments in their organization for sustainable, long-term public health gain.
5. Infrastructure, Water & Sewer	5.11 Drinking water: Transmission & Distribution	Black Diamond Water District Water Main Relocation	\$ 62,537	\$ 2,730	Via a Direct Grant Agreement entered into with Black Diamond Water District to relocate their exposed and suspended water main line to the new Department of Natural Resources Bridge, ensuring the Recipient can fulfill their critical role in providing clean and safe drinking water to roughly 450 water users.
1. Public Health	1.7 Other COVID-19 Public Health Expenses	BOCC Meeting Room Technology Project	\$ 36,991	\$ 36,991	IT capital project designed to support the need for improved virtual public meeting capabilities of the County during the COVID-19 public health emergency to mitigate and reduce the risk of COVID-19 spread during public meetings.
2. Negative Economic Impacts	2.15 Long-term Housing Security: Affordable Housing	Peninsula Housing Authority Mutual Self-Help Program	\$ 300,000	\$ -	Via a Direct Grant Agreement entered into with Peninsula Housing Authority to cover a funding shortfall for payroll and administrative costs incurred in support of the Mutual Self-Help Affordable Housing Program which has experienced homebuilding construction delays during the COVID pandemic, resulting in timelines required under USDA/Rural Development grant funding being exceeded and placing future funding at risk if the underlying projects are not completed.
2. Negative Economic Impacts	2.11 Healthy Childhood Environments: Child Care	Clallam County YMCA Early Learning Facility	\$ 500,000	\$ -	Via a Direct Grant Agreement entered into with Clallam County YMCA in support of the construction and development of the Early Learning Facility to be located in Port Angeles to provide childcare and early learning services to children 0-6 years of age.

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

ARPA Project Expenditure Category Group	ARPA Project Expenditure Category	Project Name	Total ARPA Funds Contractually Obligated as of 12/31/2022	Total ARPA Expenditures Incurred To-Date Thru 12/31/2022	Project Description
6. Revenue Replacement	6.2 Non-federal Match for Other Federal Programs	Broadband Grant Local Match	\$ 7,498	\$ 7,498	This Broadband project is the required 10% match for the Washington State Broadband Office - Infrastructure Acceleration Grant in which Clallam County was awarded \$16,074,984.65 with the required match of \$1,786,109.41. This Broadband project will connect approximately 923 homes to broadband.
3. Public Health - Negative Economic Impact: Public Sector Capacity	3.1 Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	Sheriff's Office - Hiring and Retention Incentives	\$ 283,667	\$ 271,813	To address an unprecedented number of open correction officer positions within the County Sheriff's Department and the increased difficulty in sourcing, recruiting and retaining qualified law enforcement personnel needed for critical public safety patrol and corrections positions during and after the COVID 19 pandemic, a retention, recruitment and referral pay incentive program was created for new and current patrol and corrections officers to incent these personnel to join and remain employed by the Clallam County Sheriff's Office for a contracted period of 36 months to ensure delivery of public safety services during a period of critical staff shortages.

\$ 9,431,113	\$ 7,800,445
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The SLFRF grant advances received by the County and expenditures incurred for the SLFRF projects outlined above are accounted for in the County's American Rescue Plan Act special revenue fund.

In addition to the ARPA SLFRF funds received from the U.S. Department of Treasury, the County also served as a subrecipient of a \$4.95 million ARPA SLFRF-funded Private Marine Transport reimbursement grant through an interagency agreement entered into with the Washington State Department of Commerce in November 2021. Funds under this grant are designated solely for the provision of economic support to the private marine transportation industry of Clallam County that was directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic. The County received one eligible application for this grant from Black Ball Transport Inc. ("BBT"), a small business and operator since 1959 of an international ferry service between Port Angeles of Clallam County and Victoria, British Columbia that serves as a key driver of tourism-related economic activity to Clallam County. BBT's ferry operations were suspended from March 2020 through November 2021 due to the COVID-related closure of the United States/Canada border, resulting in a severe financial impact to BBT. As BBT met all eligibility criteria outlined in the Private Marine Transport grant, the County awarded the full amount of the grant to BBT. In 2021, the County received from the Washington State Department of Commerce and distributed to BBT a total of \$3,967,309 of funding under this grant for reimbursement of eligible costs incurred by BBT since March 2020. In 2022, the remaining \$982,691 of funding under this grant was received from Washington State Department of Commerce and disbursed to BBT. This grant activity is accounted for in the County's American Rescue Plan Act special revenue fund.

In March 2021, Section 605 of the ARPA Act entitled Local Assistance and Tribal Consistency Fund ("LATCF") was passed providing \$1.5 billion to the US Department of the Treasury in 2022 and 2023 to fund payments to eligible revenue sharing counties, with \$750 million to be paid to eligible counties for each of the fiscal years 2022 and 2023. Of these funds, the County was awarded a total of \$2,510,765, of which the County received \$1,255,383 in December 2022 with

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

the remainder expected to be received in 2023. Funds received under LATCF may be used by local governments for any governmental purpose other than a lobbying activity. The receipt of LATCF funding is accounted for in the County's General Fund, and no LATCF funds have been obligated or disbursed as of December 31, 2022. Based on the limitations of use and reporting requirements governing LATCF funds, these funds are reflected as restricted cash and investments in the County's General Fund.

NOTE 14 – BLAKE DECISION

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

Shortly after the *Blake* decision, a putative class action was filed by the Civil Survival Project ("CSP") against King County, Snohomish County and the State of Washington seeking a refund of LFOs and other unspecified damages, and was later amended to include all Washington counties. The obligation to refund LFOs is not disputed, but the question of whether refunds are the responsibility of the counties or the State is in dispute. The counties believe that this is exclusively a state liability, a position shared by Clallam County. The *Blake* decision invalidates several thousand convictions in superior court dating back to 1971 and implicates a potentially significant, but currently indeterminable, amount of refunds of LFOs related to criminal convictions for simple drug possession obtained for the State of Washington out of Clallam County. The State of Washington has rejected a tender of the CSP matter from the counties. In the fall of 2021, the CSP class action lawsuit was dismissed with prejudice. Plaintiffs filed an appeal to the Washington Supreme Court. On May 9, 2023, the Washington Supreme Court issued an order denying the appeal petition for review for the CSP case, thereby permanently dismissing the case. Clallam County and numerous counties along with the Washington Association of Counties ("WSAC") filed suit against the State to both enforce the tender of any *Blake*-related suits and to ensure that *Blake*-related liabilities belong to the State, not the counties, for which partial summary judgment was received.

In April 2021, the Washington State Legislature passed SB5476 which requires the creation and funding of a *State v. Blake* reimbursement account to be funded by the State Treasury and administered by the Washington State Administration of the Courts ("AOC") to be used to cover state and local government costs incurred relating to the *State v. Blake* decision, including costs relating to resentencing hearings and LFO refunds. The County entered into an interagency reimbursement agreement with the AOC in October 2021 to access this state funding, which provides a total of \$615,200 of reimbursement funding to cover extraordinary judicial, prosecutorial, or defense-related costs incurred by the County relating to resentencing and vacating sentences of defendants whose convictions are affected by the *Blake* decision, and

Clallam County
Notes to Financial Statements
For the Year Ended December 31, 2022

\$435,524 of LFO reimbursement funding for *Blake*-related LFO refunds paid by the County during the period of February 25, 2021 to June 30, 2022. This funding has been sufficient in reimbursing the costs incurred to-date by the County for the operational costs of processing the vacation of sentences and refunding of LFOs paid by the County on behalf of the State of Washington.

In 2022, the Washington Legislature allocated \$47 million of additional funding to the AOC in support of the *Blake* Decision that will result in an increase in funding provided to counties for their *Blake*-related vacating and LFO refund costs. The County agreed to an amendment of the existing interagency agreement in the summer of 2022, which extended the period of performance until June 30, 2023 and the LFO reimbursement amount to \$866,416. To date through December 31, 2022, the County has reimbursed a total of \$182,366 in LFO refunds. As part of the 2022 legislative session, the Washington Legislature also approved funding for the AOC to establish a centralized bureau to handle LFO refunds directly, which once established should relieve counties of LFO refund processing responsibility. AOC's formation of this centralized LFO refunding bureau is expected to be in place by July 2023.

Based on the Supreme Court's decision to deny the appeal petition in the CSP class action lawsuit, coupled with the Washington Legislature's actions in funding a bill to handle *Blake* LFO refunds and directing the AOC to assume responsibility of processing and paying LFO refunds beginning in July 2023, the potential long-term financial impact of the *Blake* decision to the County has diminished significantly. In the near term, based on the level of *Blake*-related costs incurred to date and the remaining funding available under the existing AOC interagency agreement, the County believes these State-provided sources of funding will be sufficient to fund *Blake*-related resentencing, vacating and LFO refund costs through June 30, 2023, after which the responsibility to process and pay LFO refunds is expected to be assumed by the AOC. To the extent this is not the case, the County's management believes the County's existing reserves should be sufficient to fund any unreimbursed costs the County incurs relating to the *Blake* decision.

**Clallam County
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	Washington State CERB Loan	6/1/2025	188,050	-	46,313	141,737
263.81	Washington State PWB Loan	6/1/2048	9,310,345	-	344,828	8,965,517
263.83	Washington State DOE SRF Standard Loan 00040	7/31/2043	161,464	21,262	-	182,726
263.83	Washington State DOE SRF Forgivable Loan 00040	7/31/2043	65,722	17,939	-	83,661
263.83	Washington State DOE SRF Forgivable Loan 00138	12/31/2022	20,874	66,868	-	87,742
263.83	Working Advance from Department of Social and Health Services	6/30/2023	176,292	-	-	176,292
Total General Obligation Debt/Liabilities:			9,922,747	106,069	391,141	9,637,675
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		3,360,640	161,046	-	3,521,686
263.93	irement Obligations		517,164	43,442	-	560,606
264.30	Pension Obligations		1,759,114	2,267,888	-	4,027,002
264.40	OPEB Obligations		3,639,592	-	626,959	3,012,633
263.57	Lease Liabilities		2,667,131	114,420	133,573	2,647,978
Total Revenue and Other (non G.O.) Debt/Liabilities:			11,943,641	2,586,796	760,532	13,769,905
Total Liabilities:			21,866,388	2,692,865	1,151,673	23,407,580

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	24,250	-	24,250	-	1,2,4
Total Child Nutrition Cluster:				24,250	-	24,250	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	217WAWA7W1003	20,159	-	20,159	-	1,2,4
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	7WA700WA7	238,858	-	238,858	-	1,2,4
Total ALN 10.557:				259,017	-	259,017	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Dept of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	7WA810WA7	572	-	572	-	1,2,4
Forest Service Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665		-	23,541	23,541	-	1,2,4
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	NA	410,447	-	410,447	-	1,2,4
Total Forest Service Schools and Roads Cluster:				410,447	23,541	433,988	-	

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA Recreation & Conservation Office)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	NA21NMF4380 457	3,740	-	3,740	-	1,2,4
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Trout Unlimited)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	NA19NMF4380 206	3,852	-	3,852	-	1,2,4
Total ALN 11,438:				7,592	-	7,592	-	
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE	Fish and Wildlife Management Assistance	15.608		-	19,142	19,142	-	1,2,4, 5
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via WA Dept of Ecology)	Coastal Wetlands Planning, Protection and Restoration	15.614	F18AP00145	966,332	-	966,332	-	1,2,4, 5
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034		-	5,026	5,026	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	2020-VZ-GX- 0022	40,323	-	40,323	-	1,2,4
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	2019-WF-AX- 0056	1,582	-	1,582	1,538	1,2,4

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	15JOVW-21- GG-0058- MUMU	4,532	-	4,532	-	1,2,4
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	2020-WF-AX- 0054	1,605	-	1,605	-	1,2,4
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	15JOVW-21- GG-0058- MUMU	16,417	-	16,417	-	1,2,4
Total ALN 16.588:				24,136	-	24,136	1,538	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	1,818	1,818	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX- 0035	21,418	-	21,418	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX- 0187	79,953	-	79,953	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX- 0039 & 15PBJA -21-GG-00291- JAGX	95,784	-	95,784	-	1,2,4
Total ALN 16.738:				197,155	-	197,155	-	

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, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 WA State Dept of Transportation)	Highway Planning and Construction	20.205	BROS-05AD (001)	94,343	-	94,343	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (555)	529,314	-	529,314	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	TAP-2005(090)	2,631	-	2,631	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	NHPP-7547 (001)	1,322	-	1,322	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHOS-2005 (091)	778	-	778	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHOS-05AA (001)	837	-	837	-	1,2,4
			Total ALN 20.205:	629,225	-	629,225	-	

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**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 WA State Dept of Transportation)	Federal Lands Access Program	20.224	FLAP-9905 (007)	27,266	-	27,266	-	1,2,4
Total Highway Planning and Construction Cluster:				656,491	-	656,491	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Assoc of Sheriff & Police Chiefs)	State and Community Highway Safety	20.600	69A375213000 04020WAO	6,465	-	6,465	-	1,2,4
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST Traffic Safety Commission)	State and Community Highway Safety	20.600	69A375213000 04020WAO	2,488	-	2,488	-	1,2,4, 5
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA ST Traffic Safety Commission)	State and Community Highway Safety	20.600	69A375213000 04020WAO	45,500	-	45,500	-	1,2,4
Total Highway Safety Cluster:				54,453	-	54,453	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	4,184,034	4,184,034	1,146,082	1,2,4
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Dept of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	22-62420-001	982,691	-	982,691	-	1,2,4

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Dept of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	SLRFP002	6,828	-	6,828	-	1,2,4, 5
			Total ALN 21.027:	989,519	4,184,034	5,173,553	1,146,082	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Public Works Board)	COVID 19 - Coronavirus Capital Projects Fund	21.029	CPFFN0145	689	-	689	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Ecology)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18101	3,500	-	3,500	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18001	68,287	-	68,287	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18001	15,675	-	15,675	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Ecology)	Geographic Programs - Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	01J18101	31,184	-	31,184	-	1,2,4, 6

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**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total ALN 66.123:	118,646	-	118,646	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Ecology)	National Estuary Program	66.456	CE01J97401	14,994	-	14,994	-	1,2,4
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA Dept of Health)	Beach Monitoring and Notification Program Implementation Grants	66.472	01J49701	5,194	-	5,194	-	1,2,4
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via Office of the Secretary of State)	HAVA Election Security Grants	90.404	EAC1651DB20 20XX-2020- 61000001- 410001- EAC190800000 0	1,395	-	1,395	-	1,2,4, 6
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP922043	12,765	-	12,765	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP922043	5,014	-	5,014	-	1,2,4, 5
			Total ALN 93.069:	17,779	-	17,779	-	

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**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE25007	104,695	-	104,695	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	NH231P922619	110	-	110	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	NH231P922619	132,683	-	132,683	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Immunization Cooperative Agreements	93.268	NH231P922619	59,236	-	59,236	-	3
Total ALN 93.268:				192,029	-	192,029	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	9,372	-	9,372	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	8,170	-	8,170	-	1,2,4

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**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	14,794	-	14,794	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	45,690	-	45,690	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	28,653	-	28,653	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	33,822	-	33,822	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	230,968	-	230,968	-	1,2,4
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	1,295	-	1,295	-	1,2,4
			Total ALN 93.323:	372,764	-	372,764	-	

The accompanying notes are an integral part of this schedule.

Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 Kitsap County Public Health)	National and State Tobacco Control Program	93.387	KPHD 2181	53	-	53	-	1,2,4
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1- 609	241,213	-	241,213	-	1,2,4
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1- 609	17,381	-	17,381	-	1,2,4
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1- 609	57,503	-	57,503	-	1,2,4
Medicaid Cluster				316,097	-	316,097	-	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via MMA Health Care Authority)	Medical Assistance Program	93.778	21-05WA5ADM	97,397	-	97,397	-	1,2,4

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via MMA Health Care Authority)	Medical Assistance Program	93.778	02-68-MAA	2,940	-	2,940	-	1,2,4
Total Medicaid Cluster:				100,337	-	100,337	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08T1083519	114,606	-	114,606	-	1,2,4
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B0445251	2,917	-	2,917	-	1,2,4
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B04MC45251	43,884	-	43,884	-	1,2,4
Total ALN 93.994:				46,801	-	46,801	-	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	332FAS21033	12,527	-	12,527	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D20-158	181,435	-	181,435	-	1,2,4, 7

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	EMS-2021-EP- 00007-S01	39,924	-	39,924	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	EMS-2021-EP- 00008-S01	813	-	813	-	1,2,4
			Total ALN 97.042:	40,737	-	40,737	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2019-SS- 00044-S01	35,054	-	35,054	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2020-SS- 00080	56,878	-	56,878	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2021-SS- 00083-S01	17,083	-	17,083	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2019-SS- 00044-S01	200,261	-	200,261	-	1,2,4

The accompanying notes are an integral part of this schedule.

**Clallam County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	EMW-2020-SS- 00080	57,602	-	57,602	-	1,2,4
			Total ALN 97.067:	366,878	-	366,878	-	
			Total Federal Awards Expended:	5,637,943	4,233,561	9,871,504	1,147,620	

The accompanying notes are an integral part of this schedule.

CLALLAM COUNTY, WA

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

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.

Note 2 – Federal Indirect Cost Rate

The County has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The amount expended includes indirect cost recovery using an approved indirect cost rate of 28.94 percent.

Note 3 – 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 WA Dept of Health.

Note 4 – Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the County portion, are more than shown. Such expenditures are recognized following 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 5 – Expenditures from Previous Reporting Year

The County found expenditures for the following grants were not reported on the 2021 SEFA. The amounts are immaterial and therefore have been included in the 2022 Expenditures.

15.608 McDonald Creek Fish Passage Barrier Removal	\$1,192.63
15.614 Lower Dungeness Floodplain Restoration	\$ 424.35
20.600 WSTC Emphasis Patrols	\$ 763.77
21.027 Clallam County Broadband – Commerce	\$1,164.52
93.069 HHS PHRPR	\$ 417.52

Note 6 – 2021 Overstatement of Expenditures

The following corrections were made for the overstatement of expenditures in the 2021 SEFA. These amounts are immaterial and therefore deducted from the 2022 expenditure reporting.

- a. Due to a posting error in 2021, the expenditures for the EPA/WA DOE LID Stormwater Discharge Grant (66.123) were overstated by \$18,187.62. To correct the overall reporting for this grant, expenditures for 2022 were reduced by the overstated amount previously reported in 2021.
- b. Expenditure amount revision overstated expenditures on the 2021 SEFA for the HAVA Election Security Grant (90.404) in the amount of \$183.80. To correct grant reporting, 2022 expenditures were reduced by the overstatement amount previously reported in 2021.

Note 7 – FEMA Expenditures from 2021

FEMA expenditures are reported on the SEFA after the PW have been approved. PW approved and reported on the 2022 SEFA are for expenditures from the prior year as listed below.

- a. PW Submission 5 – Approved 4/7/2022 – Received 5/2/2022 - \$63,424.48 – 4/2021-6/2021 expenditures.
- b. PW Submission 6 – Approved 8/15/2022 – Received 9/26/2022 - \$118,010.42 – 2/2021-12/2021 expenditures.

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

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

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

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

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

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