



Office of the Washington State Auditor
Pat McCarthy

**Financial Statements and Federal Single Audit
Report**
Grays Harbor County

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

Published November 19, 2020

Report No. 1027246





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

November 19, 2020

Board of Commissioners
Grays Harbor County
Montesano, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	9
Independent Auditor's Report on Financial Statements.....	12
Financial Section.....	16
About the State Auditor's Office.....	60

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Grays Harbor County January 1, 2019 through December 31, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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

**Grays Harbor County
January 1, 2019 through December 31, 2019**

Board of Commissioners
Grays Harbor County
Montesano, 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 Grays Harbor County, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated November 3, 2020.

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

As discussed in Note 7 to the financial statements, during the year ended December 31, 2019, the County adopted new accounting guidance for presentation and disclosure of postemployment benefits other than pensions, as required by the BARS manual.

As discussed in Note 13 to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the County.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the

County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy
State Auditor
Olympia, WA

November 3, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

**Grays Harbor County
January 1, 2019 through December 31, 2019**

Board of Commissioners
Grays Harbor County
Montesano, Washington

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

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

Purpose of this Report

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

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

Pat McCarthy
State Auditor
Olympia, WA

November 3, 2020

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Grays Harbor County January 1, 2019 through December 31, 2019

Board of Commissioners
Grays Harbor County
Montesano, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Grays Harbor County, for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 16.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

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

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

Basis for Adverse Opinion on U.S. GAAP

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

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Grays Harbor County, as of December 31, 2019, or the changes in financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Matters of Emphasis

As discussed in Note 7 to the financial statements, in 2019, the County adopted new accounting guidance for presentation and disclosure of postemployment benefits other than pensions, as required by the BARS manual. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the County. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Pat McCarthy
State Auditor
Olympia, WA

November 3, 2020

FINANCIAL SECTION

Grays Harbor County January 1, 2019 through December 31, 2019

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

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

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

		Total for All Funds (Memo Only)	001 General Fund	101 Special Projects	102 Auditor's M & O
Beginning Cash and Investments					
30810	Reserved	35,806,058	-	185,277	308,979
30880	Unreserved	7,599,528	5,908,609	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	34,174,562	17,198,985	-	-
320	Licenses and Permits	1,362,990	1,346,959	-	-
330	Intergovernmental Revenues	16,284,841	4,364,438	339,422	52,902
340	Charges for Goods and Services	18,105,010	3,752,943	-	63,822
350	Fines and Penalties	1,758,129	1,742,274	-	-
360	Miscellaneous Revenues	3,230,386	1,533,948	-	27
Total Revenues:		<u>74,915,918</u>	<u>29,939,547</u>	<u>339,422</u>	<u>116,751</u>
Expenditures					
510	General Government	17,477,280	13,260,040	-	63,251
520	Public Safety	17,922,498	15,833,695	40,401	-
530	Utilities	3,209,209	-	-	-
540	Transportation	14,364,888	-	-	-
550	Natural and Economic Environment	3,937,628	561,840	159,184	-
560	Social Services	6,385,961	1,025,422	-	-
570	Culture and Recreation	1,325,838	209,574	126,111	-
Total Expenditures:		<u>64,623,302</u>	<u>30,890,571</u>	<u>325,696</u>	<u>63,251</u>
Excess (Deficiency) Revenues over Expenditures:		10,292,616	(951,024)	13,726	53,500
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	6,969,305	2,248,375	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	610	-	-	-
381, 382, 395, 398	Other Resources	2,933,653	1,032,222	-	-
Total Other Increases in Fund Resources:		<u>9,903,568</u>	<u>3,280,597</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,183,211	114,205	-	47,873
591-593, 599	Debt Service	1,683,330	-	-	-
597	Transfers-Out	6,969,305	1,452,423	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	638	-	-	-
581, 582	Other Uses	300,000	100,000	-	-
Total Other Decreases in Fund Resources:		<u>14,136,484</u>	<u>1,666,628</u>	<u>-</u>	<u>47,873</u>
Increase (Decrease) in Cash and Investments:		6,059,700	662,945	13,726	5,627
Ending Cash and Investments					
5081000	Reserved	41,733,796	-	199,004	314,606
5088000	Unreserved	7,731,479	6,571,552	-	-
Total Ending Cash and Investments		49,465,275	6,571,552	199,004	314,606

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

		<u>103 Fair Event</u>	<u>104 Trial Court Improvement</u>	<u>105 Paths & Trails</u>	<u>106 Law Library</u>
Beginning Cash and Investments					
30810	Reserved	20,263	78,368	62,209	54,918
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	38,129	-	10,818	-
340	Charges for Goods and Services	341,598	45,614	-	35,702
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	401,994	-	1,389	-
Total Revenues:		<u>781,721</u>	<u>45,614</u>	<u>12,207</u>	<u>35,702</u>
Expenditures					
510	General Government	-	46,966	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	244,629	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	914,409	-	-	24,635
Total Expenditures:		<u>1,159,038</u>	<u>46,966</u>	<u>-</u>	<u>24,635</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(377,317)</u>	<u>(1,352)</u>	<u>12,207</u>	<u>11,067</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	360,916	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	100,000	-	-	-
Total Other Increases in Fund Resources:		<u>460,916</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	100,000	-	-	-
Total Other Decreases in Fund Resources:		<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(16,401)</u>	<u>(1,352)</u>	<u>12,207</u>	<u>11,067</u>
Ending Cash and Investments					
5081000	Reserved	3,859	77,017	74,415	65,986
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		<u>3,859</u>	<u>77,017</u>	<u>74,415</u>	<u>65,986</u>

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

		<u>107 Affordable Housing</u>	<u>108 Sheriff's Law Enforcement</u>	<u>109 Crime Victim Penalty Assm</u>	<u>110 Roads</u>
Beginning Cash and Investments					
30810	Reserved	885,251	141,169	61,646	5,863,002
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	9,364	-	-	7,648,652
320	Licenses and Permits	-	-	-	7,610
330	Intergovernmental Revenues	-	6,826	42,693	6,785,414
340	Charges for Goods and Services	109,677	-	86,412	335,755
350	Fines and Penalties	-	-	5,604	-
360	Miscellaneous Revenues	17,208	169,671	30	149,770
Total Revenues:		<u>136,249</u>	<u>176,497</u>	<u>134,739</u>	<u>14,927,201</u>
Expenditures					
510	General Government	-	-	107,727	-
520	Public Safety	-	80,040	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	11,510,255
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>80,040</u>	<u>107,727</u>	<u>11,510,255</u>
Excess (Deficiency) Revenues over Expenditures:		136,249	96,457	27,012	3,416,946
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	1	-
381, 382, 395, 398	Other Resources	-	-	-	1,216,873
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>1</u>	<u>1,216,873</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	2,876,627
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	36,022
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,912,649</u>
Increase (Decrease) in Cash and Investments:		<u>136,249</u>	<u>96,457</u>	<u>27,013</u>	<u>1,721,170</u>
Ending Cash and Investments					
5081000	Reserved	1,021,500	237,626	88,661	7,584,169
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		<u>1,021,500</u>	<u>237,626</u>	<u>88,661</u>	<u>7,584,169</u>

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

		<u>111 Treasurer's M & O</u>	<u>112 Stadium</u>	<u>113 GH Raceway</u>	<u>114 Veterans Relief</u>
Beginning Cash and Investments					
30810	Reserved	229,043	2,343,402	14,034	101,781
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	137,595	2,049,120	-	711
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	5,194	-	3,517	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	79	37,277	25,958	-
Total Revenues:		<u>142,868</u>	<u>2,086,397</u>	<u>29,475</u>	<u>711</u>
Expenditures					
510	General Government	107,598	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	726,431	-	-
560	Social Services	-	-	-	35,135
570	Culture and Recreation	-	-	15,950	-
Total Expenditures:		<u>107,598</u>	<u>726,431</u>	<u>15,950</u>	<u>35,135</u>
Excess (Deficiency) Revenues over Expenditures:		35,270	1,359,966	13,525	(34,424)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	611,031	8,700	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	<u>611,031</u>	<u>8,700</u>	-
Increase (Decrease) in Cash and Investments:		35,270	748,935	4,825	(34,424)
Ending Cash and Investments					
5081000	Reserved	264,314	3,092,337	18,859	67,356
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		264,314	3,092,337	18,859	67,356

The accompanying notes are an integral part of this statement.

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

		<u>116 Election Reserve</u>	<u>117 Ab Landfill Postclosure</u>	<u>118 ORV Park</u>	<u>129 Public Health & Social Svcs</u>
Beginning Cash and Investments					
30810	Reserved	133,428	956,272	34,630	1,056,332
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	5,505
330	Intergovernmental Revenues	-	-	-	1,893,286
340	Charges for Goods and Services	80,962	-	-	402,619
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,069	20,161	22,719	18,354
Total Revenues:		<u>82,031</u>	<u>20,161</u>	<u>22,719</u>	<u>2,319,764</u>
Expenditures					
510	General Government	7,039	-	-	755,932
520	Public Safety	-	-	-	-
530	Utilities	-	204,245	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	2,798,723
570	Culture and Recreation	-	-	35,159	-
Total Expenditures:		<u>7,039</u>	<u>204,245</u>	<u>35,159</u>	<u>3,554,655</u>
Excess (Deficiency) Revenues over Expenditures:		74,992	(184,084)	(12,440)	(1,234,891)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	20,000	-	1,037,835
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	100,000	-	-
Total Other Increases in Fund Resources:		-	<u>120,000</u>	-	<u>1,037,835</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,921	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>2,921</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		72,071	(64,084)	(12,440)	(197,056)
Ending Cash and Investments					
5081000	Reserved	205,499	892,188	22,190	859,276
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		205,499	892,188	22,190	859,276

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

		<u>130 RE Excise Tax Technology</u>	<u>131 Tax Refund</u>	<u>132 Excise/Revaluat ion</u>	<u>135 Emergency Communication s</u>
Beginning Cash and Investments					
30810	Reserved	128,005	14,284	66,365	-
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	1,938,368
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	11,833	-
340	Charges for Goods and Services	-	-	12,058	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	1,108
Total Revenues:		-	-	23,891	1,939,476
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	1,939,476
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	1,939,476
Excess (Deficiency) Revenues over Expenditures:		-	-	23,891	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		-	-	23,891	-
Ending Cash and Investments					
5081000	Reserved	128,005	14,284	90,255	-
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		128,005	14,284	90,255	-

The accompanying notes are an integral part of this statement.

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

		137 Public Safety Sales Tax	139 Chem Dep/MH/Therap Court	140 Mental Health	145 Homeless Housing
Beginning Cash and Investments					
30810	Reserved	-	3,707,384	1,246,276	1,418,252
30880	Unreserved	1,690,919	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,191,688	1,278,746	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	274,949	646,096	1,340,568
340	Charges for Goods and Services	-	-	-	689,073
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	70,751	18,766	24,760
Total Revenues:		<u>2,191,688</u>	<u>1,624,446</u>	<u>664,862</u>	<u>2,054,401</u>
Expenditures					
510	General Government	-	38,423	-	-
520	Public Safety	27,719	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	193,516	646,096	1,669,178
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>27,719</u>	<u>231,939</u>	<u>646,096</u>	<u>1,669,178</u>
Excess (Deficiency) Revenues over Expenditures:		2,163,969	1,392,507	18,766	385,223
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	156,047	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	<u>156,047</u>	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	111,140	-
597	Transfers-Out	1,694,961	1,295,352	299,400	(30,817)
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>1,694,961</u>	<u>1,295,352</u>	<u>410,540</u>	<u>(30,817)</u>
Increase (Decrease) in Cash and Investments:		469,008	97,155	(235,727)	416,040
Ending Cash and Investments					
5081000	Reserved	1,000,000	3,804,539	1,010,549	1,834,292
5088000	Unreserved	1,159,927	-	-	-
Total Ending Cash and Investments		<u>2,159,927</u>	<u>3,804,539</u>	<u>1,010,549</u>	<u>1,834,292</u>

The accompanying notes are an integral part of this statement.

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

		<u>201 LTGO Refunding Bonds 2012</u>	<u>203 Pavilion Bonds</u>	<u>206 LOCAL Program Fin- Energy</u>	<u>207 LOCAL Program Fin- Jail Sec</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	-	-	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	-	-	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	775,300	65,520	45,250	37,916
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		775,300	65,520	45,250	37,916
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	775,300	65,520	45,251	37,915
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		775,300	65,520	45,251	37,915
Increase (Decrease) in Cash and Investments:		-	-	(1)	1
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		-	-	-	-

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

	208 LOCAL Program Fin- Real	301 Facilities Capital	302 Software Replacement Reserve	303 Fair Bldg Construction	
Beginning Cash and Investments					
30810	Reserved	-	575,808	422,738	6,125
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	-	-	-
Expenditures					
510	General Government	-	27,181	-	-
520	Public Safety	-	1,167	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	28,348	-	-
Excess (Deficiency) Revenues over Expenditures:		-	(28,348)	-	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	21,625	450,000	399,640	166,700
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		21,625	450,000	399,640	166,700
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	416,915	309,829	70,277
591-593, 599	Debt Service	21,625	-	-	2,000
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	100,000
Total Other Decreases in Fund Resources:		21,625	416,915	309,829	172,277
Increase (Decrease) in Cash and Investments:		-	4,737	89,811	(5,577)
Ending Cash and Investments					
5081000	Reserved	-	580,545	512,549	549
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		-	580,545	512,549	549

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

		<u>305 Reserve for Courtroom Constr</u>	<u>307 Cumula Res Construction</u>	<u>309 Capital Improvements</u>	<u>310 Distressed Area Capital</u>
Beginning Cash and Investments					
30810	Reserved	78,690	875,838	446,564	1,992,229
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	512,121	1,162,423
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	399,640	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	180,527	7,465	25,188
Total Revenues:		<u>399,640</u>	<u>180,527</u>	<u>519,586</u>	<u>1,187,611</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	687,927
560	Social Services	-	17,891	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>17,891</u>	<u>-</u>	<u>687,927</u>
Excess (Deficiency) Revenues over Expenditures:		<u>399,640</u>	<u>162,636</u>	<u>519,586</u>	<u>499,684</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	300,000	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	-	300,000	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	20,114	-	-	-
591-593, 599	Debt Service	-	-	-	81,600
597	Transfers-Out	399,640	197,830	500,000	442,470
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>419,754</u>	<u>197,830</u>	<u>500,000</u>	<u>524,070</u>
Increase (Decrease) in Cash and Investments:		(20,114)	564,806	19,586	(24,386)
Ending Cash and Investments					
5081000	Reserved	58,576	1,440,644	466,149	1,967,843
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		<u>58,576</u>	<u>1,440,644</u>	<u>466,149</u>	<u>1,967,843</u>

The accompanying notes are an integral part of this statement.

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

		<u>401 Solid Waste Plan</u>	<u>402 Hogan's Corner Water System</u>	<u>403 Tax Title Management</u>	<u>404 PB Sewer M&O</u>
Beginning Cash and Investments					
30810	Reserved	741,326	370,792	4,848,508	820,324
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	46,789	-
320	Licenses and Permits	-	-	2,916	-
330	Intergovernmental Revenues	77,827	-	-	-
340	Charges for Goods and Services	1,867,745	329,644	1,900,854	822,108
350	Fines and Penalties	-	-	-	1,913
360	Miscellaneous Revenues	10,544	7,683	74,317	144,795
Total Revenues:		<u>1,956,116</u>	<u>337,327</u>	<u>2,024,876</u>	<u>968,816</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	1,522,199	103,935	-	736,834
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	1,557,617	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>1,522,199</u>	<u>103,935</u>	<u>1,557,617</u>	<u>736,834</u>
Excess (Deficiency) Revenues over Expenditures:		433,917	233,392	467,259	231,982
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	50,000	-	122,274
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	454	93
381, 382, 395, 398	Other Resources	84,710	-	-	-
Total Other Increases in Fund Resources:		<u>84,710</u>	<u>50,000</u>	<u>454</u>	<u>122,367</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	40,920	52,045
591-593, 599	Debt Service	-	151,794	-	337,119
597	Transfers-Out	41,625	-	4,797	11,301
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	463	93
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>41,625</u>	<u>151,794</u>	<u>46,180</u>	<u>400,558</u>
Increase (Decrease) in Cash and Investments:		477,002	131,598	421,533	(46,209)
Ending Cash and Investments					
5081000	Reserved	1,218,326	502,389	5,270,042	774,114
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		1,218,326	502,389	5,270,042	774,114

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

		<u>405 PB/Moclips Water Sys M&O</u>	<u>406 North Beach Water System</u>	<u>407 Illahee Oyehut Sewer System</u>	<u>501 Equipment Rental & Revolving</u>
Beginning Cash and Investments					
30810	Reserved	1,234,398	78,838	887,422	2,418,812
30880	Unreserved	-	-	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	619,607	114,359	120,990	3,654,972
350	Fines and Penalties	-	-	8,338	-
360	Miscellaneous Revenues	25,038	804	14,893	202,348
Total Revenues:		<u>644,645</u>	<u>115,163</u>	<u>144,221</u>	<u>3,857,320</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	404,010	123,515	114,471	-
540	Transportation	-	-	-	2,854,633
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>404,010</u>	<u>123,515</u>	<u>114,471</u>	<u>2,854,633</u>
Excess (Deficiency) Revenues over Expenditures:		240,635	(8,352)	29,750	1,002,687
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	200,000	-	27,379
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	62
381, 382, 395, 398	Other Resources	1,500	-	-	98,348
Total Other Increases in Fund Resources:		<u>1,500</u>	<u>200,000</u>	<u>-</u>	<u>125,789</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	80,161	72,500	-	1,011,134
591-593, 599	Debt Service	-	-	54,066	-
597	Transfers-Out	-	-	-	4,570
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	82
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>80,161</u>	<u>72,500</u>	<u>54,066</u>	<u>1,015,786</u>
Increase (Decrease) in Cash and Investments:		161,974	119,148	(24,316)	112,690
Ending Cash and Investments					
5081000	Reserved	1,396,371	197,986	863,105	2,531,503
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		1,396,371	197,986	863,105	2,531,503

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

		503 Central Services	504 Management Services
		<u> </u>	<u> </u>
Beginning Cash and Investments			
30810	Reserved	499,348	397,728
30880	Unreserved	-	-
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	1,170,329	1,539,456
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	17,213	4,532
Total Revenues:		<u>1,187,542</u>	<u>1,543,988</u>
Expenditures			
510	General Government	1,113,255	1,949,868
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		<u>1,113,255</u>	<u>1,949,868</u>
Excess (Deficiency) Revenues over Expenditures:		74,287	(405,880)
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	49,620	434,908
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	-
381, 382, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		<u>49,620</u>	<u>434,908</u>
Other Decreases in Fund Resources			
594-595	Capital Expenditures	53,424	14,266
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581, 582	Other Uses	-	-
Total Other Decreases in Fund Resources:		<u>53,424</u>	<u>14,266</u>
Increase (Decrease) in Cash and Investments:		70,483	14,762
Ending Cash and Investments			
5081000	Reserved	569,831	412,488
5088000	Unreserved	-	-
Total Ending Cash and Investments		569,831	412,488

The accompanying notes are an integral part of this statement.

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

	Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial	External Investment Pool Fund
308 Beginning Cash and Investments	77,334,576	3,137,324	27,959,376	46,237,876
388 & 588 Net Adjustments	-	-	-	-
310-390 Additions	275,231,427	2,966,680	208,233,093	64,031,654
510-590 Deductions	278,476,538	3,166,143	210,298,204	65,012,191
Net Increase (Decrease) in Cash and Investments:	(3,245,111)	(199,463)	(2,065,111)	(980,537)
508 Ending Cash and Investments	74,089,461	2,937,861	25,894,261	45,257,339

The accompanying notes are an integral part of this statement.

GRAYS HARBOR COUNTY, WASHINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 1 - Summary of Significant Accounting Policies

Grays Harbor County was incorporated on May 15, 1915 and operates under the laws of the state of Washington applicable to a county government. The County is a general purpose local government and provides the following services: public safety, road improvement, solid waste management, planning and zoning, parks and recreation, judicial administration, health and social services and general administrative services. The County also owns and operates water and waste water systems within the North Beach area of Grays Harbor County.

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

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

A. Fund Accounting

Financial transactions of the government 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 government'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 of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to

expenditures for specified purposes of the government.

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 Projects Funds

These funds account for financial resources which 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 government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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.

C. Cash and Investments

See Note 6, *Deposits and Investments*.

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 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 960 hours. Upon separation or retirement, employees may receive payment for unused sick leave. Maximum allowable accrual for vacation and unused sick leave payment is set by union contract. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 4, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the County. When expenditures that meet restrictions are incurred, the County intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

Fund	Name/Purpose	Specific Purpose	Amount
101	Special Projects	Reserved for grant projects and special projects as designated by the Board of County Commissioners	\$199,004
102	Auditor's M&O	Restricted per RCW 36.22.170 and Resolution 89-64, installation and maintenance of an improved system	\$314,606
103	Fairgrounds & Events	Reserved for fair operations	\$3,859
104	Trial Court Improvement	Restricted per RCW 3.58.060	\$77,017
105	Paths & Trails	Restricted per RCW 47.30	\$74,415
106	Law Library	Restricted per RCW 27.24.010 & 070	\$65,986
107	Affordable Housing	Reserved for acquiring, rehabilitating, or constructing affordable housing, facilities providing supportive housing services, and O&M costs of new units of affordable or supportive housing.	\$1,021,500
108	Sheriff's Law Enforcement	Reserved for law enforcement purposes	\$237,626
109	Crime Victim Penalty	Restricted per RCW 7.69	\$88,661
110	Roads	Restricted per RCW 36.82.010	\$7,584,169
111	Treasurer's M&O	Restricted per RCW 84.56.020	\$264,314
112	Stadium/Tourism	Restricted per RCW 67.28 & Ordinance 98-248	\$3,092,337
113	GH Raceway	Reserved for GH Raceway operations	\$18,859
114	Veteran's Relief	Restricted per RCW 73.08.080	\$67,356

Fund	Name/Purpose	Specific Purpose	Amount
116	Election Reserve	Reserved for expenses associated with conducting regular and special state and county elections, including maintenance and equipment replacement	\$205,499
117	Aberdeen Landfill Postclosure	Reserved for post closure care and monitoring of landfill facilities	\$892,188
118	ORV Park	Reserved for Grays Harbor ORV Park operations	\$22,190
129	Public Health & Social Services	Reserved for the administration of Public Health & Social Services	\$859,276
130	REET Electronic Technology	Reserved for development, implementation and maintenance of electronic process and reporting system for the real estate excise tax affidavits	\$128,005
131	Tax Refund	Reserved for refunding of over levied taxes	\$14,284
132	Excise/Revaluation Maintenance	Restricted per RCW 82.45.180(5)(c) and Resolution 2014-14 for maintenance and operation of annual revaluation system for property tax valuation and for the maintenance and operation of a reporting system for real estate excise tax affidavits	\$90,255
137	Public Safety Sales Tax	Reserved for the construction of a new correctional facility	\$1,000,000
139	Chemical Dep/MH & Therapy/ITA Court	Restricted by RCW 82.14.460 , Ordinance 382, and Resolution 2019-086 reserved for chemical dependency, mental health treatment and services for therapeutic court programs.	\$3,804,539
140	Mental Health	Reserved due to restrictions on grant revenue for mental health, substance abuse and developmental disabilities	\$1,010,549
145	Homeless Housing	Reserved for costs related to the homeless housing program and reducing homelessness	\$1,834,292
301	Facilities Capital	Reserved for the acquisition or construction of general capital assets and improvements	\$580,545
302	Software Replacement	Reserved for acquisition of major computer software systems	\$512,549
303	Fair Building Construction	Reserved for acquisition or construction of buildings and improvements at the fairgrounds	\$549
305	Reserve for Courtroom Construction	Reserved for construction of courtrooms for Superior and District	\$58,576

Fund	Name/Purpose	Specific Purpose	Amount
		Courts	
307	Cumulative Reserve for Construction	Restricted per RCW 36.33.020	\$1,440,644
309	Capital Improvements	Restricted per RCW 35.43.040	\$466,149
310	Distressed Area Capital	Restricted per RCW 82.14.370	\$1,967,843
401	Solid Waste Plan	Reserved for solid waste management services and constructing and purchasing facilities, equipment and properties for solid waste activities	\$1,218,326
402	Hogan's Corner Water System	Reserved for maintenance, upgrades and support activities of the water system	\$502,389
403	Tax Title Management	Reserved to administer and manage County timber land and tax title property	\$5,270,042
404	Pacific Beach Sewer System	Reserved for maintenance, upgrades and support activities of the sewer system	\$774,114
405	Pacific Beach/Moclips Water System	Reserved for construction, maintenance, upgrades and support activities of the water system	\$1,396,371
406	North Beach Water System	Reserved for maintenance, upgrades and support activities of the water system	\$197,986
407	Illahee Oyehut Sewer/Construction	Reserved for construction and operation of the sewer system	\$863,105
501	Equipment Rental & Revolving	Restricted per RCW 36.33A.010-060	\$2,531,503
503	Central Services	Reserved for software development, purchases and support, computer purchases and replacement, and GIS related functions	\$569,831
504	Management Services	Reserved for insurance and risk management, human resources, budget, payroll services, grants and records management	\$412,488
		<i>Reserved Ending Cash Total</i>	\$41,733,797

Note 2 – Budget Compliance

A. Budgets

The County adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial

reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
<i>General Fund:</i>			
Assessor ²	\$1,449,514	\$1,441,364	\$8,150
Auditor ²	779,773	671,529	108,244
Civil Service	23,397	18,605	4,792
Clerk ²	801,802	792,949	8,853
Commissioners	517,705	493,565	24,140
Environmental Health	810,371	761,173	49,198
Coroner	295,982	288,405	7,577
Facility Services ²	1,093,443	1,064,299	29,144
Corrections ²	5,476,671	5,301,447	175,224
LEOFF 1 Disability Board	9,086	6,087	2,999
Boundary Review Board	8,277	6,638	1,639
WSU Extension & Noxious Weed	221,052	216,942	4,110
Therapeutic Courts	411,920	345,840	66,080
District Court	1,401,334	1,367,220	34,114
Emergency Management	237,927	222,203	15,724
Juvenile	2,296,444	2,247,961	48,483
LEOFF 1 Benefits	262,603	165,705	96,898
Planning & Building	1,026,690	942,432	84,258
Prosecutor	2,965,072	2,758,906	206,166
Security	466,448	397,724	68,724
Sheriff	7,530,560	7,276,637	253,923
Superior Court	942,253	937,280	4,973
Treasurer	610,025	594,172	15,853
Public Defense	1,598,963	1,403,818	195,145
Park & Vegetation Management	100,000	53,173	46,827
Advanced Expenditure	290,000	266,742	23,258
Non-Departmental	2,729,445	2,637,523	91,922
Total General Fund	\$34,356,757	\$32,680,337	\$1,676,420
<i>Miscellaneous Funds:</i>			
Special Projects	\$422,625	\$325,696	\$96,929
Auditor's M&O	186,370	111,124	75,246
Fairgrounds & Events	1,320,737	1,259,040	61,697
Trial Court Improvement	49,900	46,965	2,935
Paths & Trails	20,000	0	20,000
Law Library	26,157	24,635	1,522

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Affordable Housing	250,000	0	250,000
Sheriff's Law Enforcement ¹	100,000	61,695	38,305
Federal Equitable Sharing ¹	95,000	18,345	76,655
Crime Victim	133,715	107,726	25,989
Roads	16,102,611	14,422,904	1,679,707
Treasurer's M&O	122,526	107,597	14,929
Stadium ¹	635,470	301,733	333,737
Tourism ¹	1,237,091	1,035,729	201,362
GH Raceway	33,400	24,650	8,750
Veterans Relief	40,500	35,136	5,364
Election Reserve	14,550	9,960	4,590
Aberdeen Landfill Postclosure	307,000	204,245	102,755
ORV Park	42,690	35,159	7,531
Public Health & Social Services	3,760,353	3,554,655	205,698
Real Estate Excise Tax Technology	20,000	0	20,000
Excise/Revaluation M&O	27,500	0	27,500
Emergency Communication Tax	2,170,000	1,939,476	230,524
Public Safety Sales Tax	2,389,182	1,722,680	666,502
Chemical Dependency/MH/Therapy Court ^{1,2}	2,069,003	1,550,868	518,135
ITA Court ^{1,2}	175,000	38,423	136,577
Developmental Disabilities ^{1,2}	811,150	757,237	53,913
MH/Dev Disability Services Levy ^{1,2}	409,400	409,400	0
Homeless Housing	2,206,058	1,638,362	567,696
LTGO Refunding Bonds 2012 ³	775,200	775,300	(100)
Pavilion Bonds	66,000	65,520	480
LOCAL Program Fin-Energy Retrofit	45,750	45,250	500
LOCAL Program Fin-Jail Security	38,000	37,916	84
LOCAL Program Fin-Real Estate	22,125	21,625	500
Facilities Capital	765,000	445,263	319,737
Software Replacement Reserve	664,115	309,829	354,286
Fair Building Construction	301,000	172,277	128,723
Reserve for Courtroom Construction	478,330	419,754	58,576
Cumulative Reserve Construction	223,030	215,721	7,309
Capital Improvements	500,000	500,000	0
Distressed Area Capital	2,100,903	1,211,998	888,906
Solid Waste Plan	2,038,558	1,563,826	474,732
Hogan's Corner Water System	318,219	255,729	62,490
Tax Title Management	1,990,289	1,603,796	386,493
Pacific Beach Sewer M&O ¹	1,033,717	958,244	75,473

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Pacific Beach Sewer SRF Loan Reserve ^{1,2}	131,891	95,292	36,599
Pacific Beach Sewer Bond ULID #7 ^{1,2}	118,740	84,488	34,252
Pacific Beach Sewer Bond ULID #8 ¹	83,858	83,857	1
Pacific Beach/Moclips Water Sys M&O	2,105,674	484,172	1,621,502
North Beach Water System	306,668	196,016	110,652
Illahee Oyehut Sewer System	253,977	168,537	85,440
Equipment Rental & Revolving ^{1,2}	3,093,621	3,081,345	12,276
Equipment Rental & Revolving Replacement ¹	1,034,000	923,075	110,925
Central Services ^{1,2}	1,211,175	1,181,729	29,446
Central Services Replacement ^{1,2}	20,000	4,949	15,051
Management Services	2,043,940	1,964,137	79,803
Total Miscellaneous Funds	\$56,941,768	\$46,613,081	\$10,328,687
Total County Funds	\$91,298,525	\$79,293,418	\$12,005,107

Budgeted amounts are authorized to be transferred between departments (within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County's legislative body.

- ^[1] The Budget does not reflect the consolidation of managerial funds contained in the Financial Statements.
- ^[2] The Budget does not reflect the intra fund transfer eliminations contained in the Financial Statements.
- ^[3] The Budget reflects one year of debt service charges and Expenditures reflect two years 2018 and 2019 paid during 2019.

Note 3 - Joint Ventures & Intergovernmental Agreements

Joint Venture

The County and cities of Aberdeen and Hoquiam jointly operate an Interagency Drug Task Force. The County reports the Task Force as an agency fund. The purpose of the Task Force is to enhance the investigation and enforcement of laws against illegal drugs.

The Task Force is governed by an administrative board composed of the County Sheriff and the Aberdeen and Hoquiam Police Chiefs. The Board is responsible for establishing the budget, authorizing the acquisition of equipment, setting operating policies, and resolving disputes.

Activity for the year ended December 31, 2019 is as follows:

	Total	County
Revenue	\$962,494	\$939,277
Expenditures	\$1,096,748	\$875,439

Intergovernmental Agreement

The County and counties of Lewis, Mason, and Thurston have agreed to participate in the Chehalis Basin Partnership (CBP) through an Intergovernmental Agreement. The four counties support the collaboration among the Chehalis Basin Watershed communities to implement a comprehensive strategy for balancing competing demands for water, while at the same time preserving and enhancing the future integrity of the Chehalis Basin Watershed.

The County and Confederated Tribes of the Chehalis Reservation entered into a memorandum of agreement for the purposes of:

- Securing a Watershed Coordinator to assist the CBP in the implementation of the Chehalis Basin Watershed Management Plan and the Detailed Implementation Plan; and
- Securing a Lead Entity Coordinator to assist the Grays Harbor/Chehalis Basin Lead Entity for Salmon Recovery in the coordination and implementation of the WRIA 22-23 Chehalis Basin Salmon Habitat Restoration and Preservation Work Plan.

Funding for the Watershed Coordinator will come from donations or other grant sources and funding for the Lead Entity Coordinator will come from the Washington State Recreation and Conservation Office (RCO).

The County shall reimburse the Confederated Tribes for expenses of the Watershed Coordinator/Lead Entity Coordinator in an amount up to \$90,000.

Revenues and expenditures for 2019 are as follows:

	Revenue	Expenditures
CBP Watershed Facilitator	\$0	\$10,802
RCO Lead Entity Grant	83,014	84,492
Total Revenue and Expenditures	\$83,014	\$95,294

Note 4 – Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County's debt transactions for year ended December 31, 2019.

The debt service requirements for general obligation bonds, revenue bonds and intergovernmental loans are as follows:

Year	Principal	Interest	Total
2020	\$1,322,145	\$159,010	\$1,481,155
2021	1,229,863	125,638	1,355,502
2022	1,254,904	96,035	1,350,939

2023	571,326	65,534	636,860
2024	387,110	55,929	443,039
2025-2029	1,767,808	212,453	1,980,262
2030-2034	772,226	132,849	905,074
2035-2039	390,239	72,526	462,765
2040-2044	293,039	34,561	327,600
2045-2048	127,016	4,024	131,040
Total Debt Service	\$8,115,676	\$958,560	\$9,074,235

Note 5 – Inter fund Loans

Interfund loan activity as of December 31, 2019:

Borrowing Fund	Lending Fund	1/01/19 Balance	New Loans	Payments	12/31/19 Balance
Fair Building Construction	Landfill Postclosure	\$100,000		\$100,000	\$0
Fairgrounds & Events	General Fund	0	100,000	100,000	0
	Total Interfund Loans	\$100,000	\$100,000	\$200,000	\$0

Note 6 – Deposits and Investments

Investments are reported at cost. Deposits and investments by type at December 31, 2019 are as follows:

Type of Deposit or Investment	Grays Harbor County's own deposits and investments	Deposits and Investments held by the county as a custodian for other local governments, individuals or private organizations.	Total
Bank Deposits	\$27,061,511	\$475,245	\$27,536,756
Certificates of Deposit	-	-	-
Local Government Investment Pool	18,903,765	50,026,737	68,930,503
U.S. Government Securities		6,098,411	6,098,411
Other:	-	-	-
Money Market	3,500,000	17,489,066	20,989,066
Total	\$49,465,276	\$74,089,460	\$123,554,736

It is the County's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

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

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 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.

Compensating Balances

Grays Harbor County maintains compensating balances in lieu of payment for banking services. The County established a money market account at Bank of the Pacific for this purpose. At key Bank, checking account balances provide for daily cash liquidity and act as a compensating balance. The average combined balance needed to support services in 2019 was \$10,749,881.

Note 6A – External Investment Pool

The External Investment Pool sponsored by the County was established more than 10 years ago. Revised Code of Washington (RCW) 36.29.022, 36.29.010, 36.29.020, authorize the County Treasurer to invest its surplus cash and any funds of municipal corporations which are not required for immediate expenditure and are in the custody or control of the County Treasurer. The External Investment Pool's investments are invested pursuant to the Revised Code of Washington. Any credits or payments to pool 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 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, 2019, to support the value of shares in the Pool.

The External Investment Pool is not registered with the SEC and is not subject to any formal oversight other than that provided by the County Finance Committee. The Committee is responsible for adopting investment objectives and policies, for hiring investment advisors, and for monitoring policy implementation and investment performance. The Committee's primary role is to oversee the allocation of the Pool's portfolio among the asset classes, investment vehicles, and investment managers.

The interest or other earnings of income from the funds of any municipal corporation 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, shall be deposited in the general fund of the county and may be used for general county purposes. The total amount of income from the External Investment Pool assigned to the County's general fund for the year was \$0.00. These investments made by the County Treasurer on behalf of the participants is involuntary participation in the County Treasurer's Investment Pool, as they are required to be invested by statute.

0% of the County Treasurer's Pool consists of these involuntary participants. Voluntary participants in the County Treasurer's Pool include E911, Grays Harbor Transit Authority, all fire protection districts, school and water districts, and local drainage district. The deposits held for both involuntary and voluntary entities are included in the External Investment Pool as defined by the State of Washington.

The Treasurer does not maintain Individual Investment Accounts.

Note 7 – Other Post-Employment Benefits

During the fiscal year ended 2019, the county adopted guidance for the presentation and disclosure of post-employment benefits other than pensions, as required by the BARS manual. This requirement resulted in the addition of a post-employment benefit liability reported on the Schedule of Liabilities.

Public Employees Benefits Board (PEBB)

Grays Harbor County is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority (HCA). The plan provides medical benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The County had 223 active plan members and 102 retired plan members as of December 31, 2019. As of December 31, 2019, the County's total OPEB liability was \$14,465,847, as calculated using the alternative measurement method. For the year ended December 31, 2019, the County paid \$2,764,954 in benefits.

LEOFF 1 Retiree Medical Plan

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by Grays Harbor County as required by RCW 41.26.150. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2019, the plan had twelve members, one active elected official and eleven retirees. As of December 31, 2019, the County's total OPEB liability was \$6,140,574, as calculated using the alternative measurement method. For the year ended December 31, 2019, the County paid \$165,705 in benefits.

Note 8 – Contingencies & Litigation

Miscellaneous Claims

The County is occasionally the defendant in various claims including emotional distress, false arrests, jail complaints, and civil rights violations. There were four (4) outstanding or possible claims of this type as of January 1, 2020. The County is defending and expects to prevail or have these claims dismissed for lack of merit.

Board of Tax Appeals

The County had one pending case before the Board of Tax Appeals concerning property tax valuation of a commercial property. The Plaintiff property owner withdrew the appeal on January 17, 2020.

Civil Real Property Forfeitures

There are six (6) civil cases pending in Superior Court a 2017 investigation into illegal marijuana grow operations in Grays Harbor County. It is anticipated that these cases will settle, with a possibility of having to pay minimal attorney fees in one or more cases. One Superior Court case resolved in December 2019 with a settlement and total payment of attorney fees of just over \$15,000, of which Grays Harbor County was responsible for one-third. Another case is on appeal to the Court of Appeals and it is anticipated that the County will prevail in that case.

Note 9 – Pension Plans

State Sponsored Pension Plans

Substantially all 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 Public Employees' Retirement System (PERS), Public Safety Employees' Retirement System (PSERS), and Law Enforcement Officers' Retirement System (LEOFF).

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

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

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

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

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

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$1,002,470	0.139807%	\$5,376,075
PERS 2/3	\$1,228,777	0.150450%	\$1,461,381
PSERS 2	\$181,745	0.563812%	(\$73,318)
LEOFF 1	\$0	0.027353%	(\$540,662)
LEOFF 2	\$177,774	0.096421%	(\$2,233,779)

LEOFF Plan 1

The County also 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 Plan 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 Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

Defined Contribution Pension Plans

Grays Harbor County employees can choose to enroll in a Deferred Compensation 457b plan administered by Nationwide Retirement Solutions that provides optional retirement savings. Traditional 457b plan (pre-tax) and Designated Roth (after-tax) options are available. The County will match the amount applicable as negotiated by the differing union contracts and withhold from the employee’s paychecks monthly deductions authorized by the employee. Under the current union contract the County agrees to match an employee’s pre-taxed deferred compensation contribution up to a maximum of \$50.00 for Courthouse & Public Works contracts & \$65.00 for Teamsters contract each calendar month. The county contributed \$181,890 to the plan for the year ended December 31, 2019.

Note 10 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

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

The County's regular levy for the year 2019 was \$1.6411123 per \$1,000 on an assessed valuation of \$6,737,811,989 for a total regular levy of \$11,057,412.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County's road levy for 2019 was \$2.0985057 per \$1,000 on an assessed valuation of \$2,995,003,360 for a total road levy of \$6,201,083

Note 11 – Risk Management

Grays Harbor 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, 2019, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2019, Grays Harbor County selects a per-occurrence deductible of \$25,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the amount of the layer of coverage below. For 2018-19, the Pool's SIR was \$1,000,000 (for 2019-20, the Pool's SIR increased to \$2,000,000). More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2018-19, the "corridor" increased the SIR to \$2,000,000, with losses between \$1,000,000 and \$2,000,000 having an annual aggregated stop loss of \$2.5 million. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$20 million (lowest reinsured layer), \$30 million, (second layer), and \$50 million (third layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. Sixteen of the Pool's 26 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

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

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

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

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

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

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

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

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's

reassessments receivable balance as of December 31, 2019 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Note 12 – Landfill Post-Closure Agreement

In September of 1990 Grays Harbor County entered into an agreement with Lemay Enterprises, Inc. (the Company), concerning the closure and post-closure care of the landfill operation known as the Aberdeen Sanitary Landfill, (the Landfill). This agreement was entered into to ensure that federal and state requirements concerning financial assurances for the closure and post-closure costs would be fulfilled.

Under the agreement, the Company increased tipping fees to provide funds for closure and post-closure activities. The Company is responsible for all costs associated with the closure of the facility.

The Company shall conduct all post-closure care of the Landfill in accordance with the approved post-closure plan and all applicable local, state, and federal laws and regulations. Post-closure costs shall be approved by the County and paid out of the post-closure fund administered by the County. In the event there are insufficient funds for the post-closure care of the Landfill, the County's Solid Waste Fund shall pay any and all shortfalls.

The minimum post-closure period is 20 years; however, post-closure activities will be required for as long as the Landfill is producing contaminated leachate or landfill gas. The County used a 30-year factor when establishing the increase of current tipping fees to fund the post-closure activities. Future post-closure costs are estimated by the County to be approximately \$150,000 per year as the result of the installation of a leachate pipeline in 2013. This amount is subject to change due to inflation, technology, and or regulation. Accumulated funds from the increase in tipping fees, which ceased when the Landfill closed in 1994, are anticipated to fully pay for the post-closure costs throughout the 30 year period.

In 2014 the County entered into a 20 year contract extension with Waste Connections, Inc. (dba LeMay Enterprises, Inc.) for the operation of the central transfer station and disposal of the waste. As per section 13 of the contract; the landfill agreement remains in full force and effect and the County shall continue to maintain the post closure account.

Note 13 – Subsequent Events

COVID-19

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

The County has been awarded \$4,078,800 through the state's Coronavirus Relief Funds (CRF). The funds are available under section 601(a) of the Social Security Act, as added by section 5001 of the coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

The grant is funded entirely through the federal stimulus funding under the CARES Act provided by the U.S. Department of Treasury (US Treasury) to the Governor via the Office of Financial Management (OFM).

The CRF payments may only be used for costs incurred by the County in response to the COVID-19 public health emergency during the period of March 1, 2020 thru October 31, 2020. Funds are available on a reimbursement basis only, and cannot be advanced under any circumstances.

The County has also received other funding for the disaster including a grant from the Washington State Department of Commerce for Isolation & Quarantine activities and has applied for FEMA Public Assistance funding.

The length of time these measures will be in place, and the full extent of the financial impact on the County is not known at this time.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Limited Tax GO Bonds 2012	12/1/2023	2,990,000	-	685,000	2,305,000
251.11	Limited Tax GO Bonds 2016 - FG	12/1/2046	1,334,301	-	34,031	1,300,270
263.81	CERB Loan C2001-141	7/22/2022	151,360	-	37,277	114,083
263.81	CERB Loan C1999-122PW	7/23/2023	201,782	-	38,774	163,008
263.96	Local Program 0121-2-1	6/1/2020	72,177	-	35,186	36,991
263.96	Local Program 0121-3-1	6/1/2023	200,223	-	36,143	164,080
263.96	Local Program 0121-4-1	6/1/2026	140,000	-	15,000	125,000
263.83	DSHS Working Advance	6/30/2018	111,140	-	111,140	-
Total General Obligation Debt/Liabilities:			5,200,983	-	992,551	4,208,432
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Water & Sewer Revenue Bonds 1999	6/22/2019	91,100	-	91,100	-
252.11	Sewer Revenue Bonds 2000	5/5/2020	156,961	-	76,794	80,167
263.82	DWSRF 2009	10/1/2028	1,379,947	-	137,995	1,241,952
263.82	SRF Loan 2016	1/1/2039	782,201	-	33,050	749,151
263.88	PWTF Loan 2012	6/1/2031	1,988,971	-	152,998	1,835,973
259.12	Compensated Absences Liability- Govtl		1,382,206	69,885	-	1,452,091
259.12	Compensated Absences Liability- Prop		252,595	28,474	-	281,069
264.30	Pension Liabilities		8,942,546	-	2,105,090	6,837,456
264.40	OPEB Liabilities		-	20,606,421	-	20,606,421
Total Revenue and Other (non G.O.) Debt/Liabilities:			14,976,527	20,704,780	2,597,027	33,084,280
Total Liabilities:			20,177,510	20,704,780	3,589,578	37,292,712

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
RURAL HOUSING SERVICE, AGRICULTURE, DEPARTMENT OF	Rural Community Development Initiative	10.446	56-014- 916001320	-	23,727	23,727	-	1
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State of Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18245	270,718	-	270,718	-	1,3a
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State of Dept of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	CLH18245	371	-	371	-	1
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State of Dept of Health)	WIC Grants To States (WGS)	10.578	CLH18245	615	-	615	-	1
Forest Service Schools and Roads Cluster								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	Title 1-Schools & Roads	-	135,357	135,357	-	1
Total Forest Service Schools and Roads Cluster:				-	135,357	135,357	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	19-62210-006	635	-	635	-	1

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	18-62210-006	102,945	-	102,945	102,945	1
		Total CFDA 14.228:			103,580	-	103,580	102,945
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Patrol)	National Criminal History Improvement Program (NCHIP)	16.554	K14507/2018- RU-BX-K029	8,903	-	8,903	-	1
		Total CFDA 16.554:			9,208	-	9,208	-
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Crime Victim Assistance	16.575	19-31101-512, 20-31101-512	42,693	-	42,693	-	1,3p
		Total CFDA 16.554:			18,111	-	18,111	-
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Drug Court Discretionary Grant Program	16.585	2017-DC-BX- 0032	-	144,595	144,595	-	1
		Total CFDA 16.585:			10,335	-	10,335	-
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce/City of Aberdeen)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F17-31440-001	10,335	-	10,335	-	1
		Total CFDA 16.738:			10,335	-	10,335	-

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce/City of Aberdeen)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	na	5,617	-	5,617	-	1
Highway Planning and Construction Cluster				15,952	-	15,952	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BRS-2014(100) LA-8566	1,836,701	-	1,836,701	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BRS-Z141(005) LA-8562	78,374	-	78,374	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BROS-2014 (099) LA-8565	397	-	397	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	ER-1502(007) LA-8575	1,506	-	1,506	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (518) LA-9573, TA-6637	12,773	-	12,773	-	1
Total Highway Planning and Construction Cluster:				1,929,751	-	1,929,751	-	

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2019-HVE-3196	20,205	-	20,205	-	1
		Total Highway Safety Cluster:		20,205	-	20,205	-	
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Military Dept)	Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	E18-189	1,425	-	1,425	-	1
Department of the Treasury, TREASURY, DEPARTMENT OF THE	Equitable Sharing	21.016	WA0140000	-	18,345	18,345	-	1
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State of Dept of Health)	Beach Monitoring and Notification Program Implementation Grants	66.472	CLH18245	12,000	-	12,000	-	1
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Public Health Emergency Preparedness	93.069	CLH18245	55,815	-	55,815	-	1,3b
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-SP-1810-06886	-	592	592	-	1

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-T-1810- 06847	-	3,000	3,000	-	1
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-SP-1710- 05924	-	2,500	2,500	-	1
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-T-1710- 05933	-	365	365	-	1
			Total CFDA 93.103:	-	6,457	6,457	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH18245	37,277	-	37,277	-	1,3g
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH18245	5,946	-	5,946	-	1,3h
			Total CFDA 93.136:	43,223	-	43,223	-	
OFFICE OF ASSISTANT SECRETARY FOR HEALTH, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Family Planning Services	93.217	CLH18245	43,249	-	43,249	-	1

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	CLH18245	141,561	-	141,561	-	1,3c
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via University of Washington)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UWSC9647	60,477	-	60,477	-	1,3o
Total CFDA 93.243:				202,038	-	202,038	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Immunization Cooperative Agreements	93.268	CLH18245	5,263	-	5,263	-	1,3e
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Immunization Cooperative Agreements	93.268	CLH18245	5,600	-	5,600	-	1, 3f
Total CFDA 93.268:				10,863	-	10,863	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of DSHS)	Child Support Enforcement	93.563	2110-81159	49,959	-	49,959	-	1

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of DSHS)	Child Support Enforcement	93.563	2110-81159	227,998	-	227,998	-	1
Total CFDA 93.563:				277,957	-	277,957	-	
Medicaid Cluster								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K2744	12,310	-	12,310	-	1,3m
Total Medicaid Cluster:				12,310	-	12,310	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Opioid STR	93.788	1763-94251	50,876	-	50,876	-	1,3i
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Opioid STR	93.788	1763-94251	18,223	-	18,223	-	1,ej
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Opioid STR	93.788	K3920	18,136	-	18,136	-	1,3k

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Opioid STR	93.788	K3920	8,878	-	8,878	-	1,31
			Total CFDA 93.788:	96,113	-	96,113	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Early Learning)	Maternal, Infant and Early Childhood Home Visiting Grant	93.870	18-1067	98,504	-	98,504	-	1
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Children, Youth & Families)	Maternal, Infant and Early Childhood Home Visiting Grant	93.870	20-1155	113,055	-	113,055	-	1,3n
			Total CFDA 93.870:	211,559	-	211,559	-	
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	1763-94251	45,460	-	45,460	-	1
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	K3920	19,097	-	19,097	-	1
			Total CFDA 93.959:	64,557	-	64,557	-	

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State of Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18245	90,556	-	90,556	-	1,3d
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Rec Commission)	Boating Safety Financial Assistance	97.012	3316FAS16015 3	21,111	-	21,111	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	E19-159	40,947	-	40,947	-	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	E19-070	17,917	-	17,917	13,743	1
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Homeland Security Grant Program	97.067	E18-154	27,129	-	27,129	27,129	1
Total CFDA 97.067:				45,046	-	45,046	40,872	
Total Federal Awards Expended:				3,630,765	328,481	3,959,246	143,817	

The accompanying notes are an integral part of this schedule.

GRAYS HARBOR COUNTY, WASHINGTON
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

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 basis of accounting.

Note 2 – Program Costs

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

Note 3 – Indirect Cost Rate

The County has elected to use the 10% de minimis indirect cost rate under the Uniform Guidance. The amount expended includes the following amounts claimed as indirect costs:

- (a) \$22,797
- (b) \$ 4,638
- (c) \$ 6,929
- (d) \$ 7,748
- (e) \$ 265
- (f) \$ 466
- (g) \$ 3,155
- (h) \$ 541
- (i) \$ 3,769
- (j) \$ 1,467
- (k) \$ 1,343
- (l) \$ 658
- (m) \$ 1,339
- (n) \$10,278
- (o) \$ 5,498
- (p) \$ 2,906

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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