



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Jefferson County

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

Published March 31, 2022

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

March 31, 2022

Board of Commissioners
Jefferson County
Port Townsend, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Jefferson County January 1, 2020 through December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Jefferson 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 identified deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

See Finding 2020-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Jefferson County January 1, 2020 through December 31, 2020

2020-001 The County's internal controls over preparing financial statements were inadequate for ensuring accurate and reliable reporting.

Background

State and federal agencies, County Commissioners, and the public rely on information included in the financial statements and reports to make decisions. County management is responsible for designing and following internal controls that provide reasonable assurance financial reporting is reliable and financial statements and notes to the financial statements are accurate.

The County prepares its financial statements in accordance with the cash basis accounting method prescribed in the *Budgeting, Accounting and Reporting System* (BARS) manual.

Government Auditing Standards requires the State Auditor's Office to communicate significant deficiencies in internal controls as a finding. The Applicable Laws and Regulations section below defines the standards for significant deficiencies.

Description of Condition

Our audit found the following deficiencies that, when taken together, represent a significant internal control deficiency. Specifically, the County did not:

- Adequately reconcile its bank activity to the general ledger, which is used to prepare the financial statements and resolve any outstanding items or errors
- Accurately implement new accounting changes in the BARS Manual related to fiduciary activities and cash and investment balance classifications
- Perform an effective secondary review to detect errors in the financial statements submitted for audit

Cause of Condition

The County used two different accounting systems in the Treasurer's Office and the Auditor's Office. Although County employees attempted to reconcile the balances in both accounting systems to the bank activity and financial statement amounts, they were unsuccessful and did not resolve identified errors.

Additionally, employees responsible for preparing financial statements did not sufficiently research new accounting changes to understand the criteria for classifying fiduciary fund types and cash and investment balances.

The County also did not dedicate sufficient time or resources to performing an effective review of the financial statements.

Effect of Condition

We found the following errors in the County's financial statements:

- General fund revenues and expenditures were overstated by \$515,959 because the County did not eliminate intrafund activity.
- Debt service fund ending cash and investments reported in the financial statements were \$728,645 more than the general ledger balance.
- Ending cash and investment balances totaling \$113.4 million were misclassified between fiduciary fund types because the County did not correctly apply the classification criteria.
- Custodial fund additions were overstated by \$5.1 million, deductions were overstated by \$504,625, and ending cash and investments were overstated by \$4.6 million because the County did not eliminate all bond-related activity from the balances.
- Custodial fund beginning cash and investments were overstated by \$363,395 because the County did not report prior year adjustments it later identified as necessary.
- Custodial fund beginning and ending fund balances were misclassified as nonspendable rather than restricted.

The County subsequently corrected all of these errors in the financial statements. However, after adjusting for these errors, total ending cash and investments reported on the financial statements were still \$803,066 more than the reconciled bank statement balances. We could not identify the source of this likely error.

Our audit also found other errors in the County's financial statements and notes that were not individually significant, but when taken together, impair the understandability of the financial reports.

Recommendation

We recommend the County strengthen internal controls over preparing financial statements to ensure the statements it submits for audit are accurate, complete, and comply with BARS manual requirements. Specifically, we recommend the County dedicate sufficient resources to ensure:

- The general ledger and financial statements agree to bank statements
- Employees responsible for preparing the financial statements understand and implement applicable BARS manual changes
- A knowledgeable person performs an effective secondary review of the financial statements to identify errors

County's Response

The County thanks the SAO for their review and commitment to Jefferson County by their willingness to provide answers and information during the audit of the 2020 Annual Report. This along with improved financial accounting systems, ongoing training and secondary review will assist Jefferson County with future annual report preparation and submittals.

Auditor's Remarks

We appreciate the County's commitment to resolve this finding and thank the County for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

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

The *Budgeting, Accounting, and Reporting System* (BARS) manual – Accounting, Accounting Principles and Internal Control, Internal Control

The *Budgeting, Accounting, and Reporting System* (BARS) manual – Accounting, Accounting Principles and Internal Control, Fund Types and Accounting Principles

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.



JEFFERSON COUNTY COURTHOUSE
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Jefferson County January 1, 2020 through December 31, 2020

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

Audit Period: 1/1/2019 -12/31/2019	Report Reference No.: 1027597	Finding Ref. No.: 2019-001	CFDA Number(s): 93.788
Federal Program Name and Granting Agency: Opioid STR, Department of Health and Human Services		Pass-Through Agency Name: Washington State Health Care Authority	
Finding Caption: The County did not have adequate internal controls to ensure compliance with federal requirements for subrecipient monitoring and suspension and debarment.			
Background: <u>Subrecipient Monitoring</u> <i>The County did not have internal controls in place to ensure it followed the requirements to subaward federal funds. Specifically, the County did not perform risk assessments, did not have documentation of monitoring for program compliance and did not review the subrecipients’ audits.</i> <u>Suspension and Debarment</u> <i>The County’s controls were not effective to ensure it complied with federal suspension and debarment requirements for all new subrecipients. The County did not obtain a written certification from the subrecipient, insert a clause in the agreement, or review the federal EPLS for the subrecipient of program funds.</i>			

Status of Corrective Action: (check one)

☐ Fully
Corrected

☒ Partially
Corrected

☐ Not
Corrected

☐ Finding is considered no longer
valid

Corrective Action Taken:

Subrecipient Monitoring: *Due to decentralized grant administration in the County, this is being accomplished for some grant subawards. We are currently in the process of creating a new position for a Grant Administrator to provide dedicated oversight for grants and subawards. Until this position has been filled and staff trained, the Auditor's office is doing their best to provide some oversight as needed when completing the schedules for the Annual Report filing.*

Suspension and Debarment:

This has been made a requirement for all subrecipients and accompany the Contract Review Form (revised to include Suspension & Debarment) for risk management and legal review.

INDEPENDENT AUDITOR'S REPORT

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

Jefferson County January 1, 2020 through December 31, 2020

Board of Commissioners
Jefferson County
Port Townsend, 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 Jefferson County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated March 25, 2022.

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

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

As discussed in Note 4 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the County is unknown.

As discussed in Note 6 to the financial statements, during the year ended December 31, 2020, the County adopted new accounting guidance for fiduciary fund reporting, as required by the BARS manual.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Responses as Finding 2020-001 that we consider to be a significant deficiency.

COMPLIANCE AND OTHER MATTERS

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

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

COUNTY'S RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The County's response was not subjected to the

auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

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

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

March 25, 2022

INDEPENDENT AUDITOR'S REPORT

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

Jefferson County January 1, 2020 through December 31, 2020

Board of Commissioners
Jefferson County
Port Townsend, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of Jefferson County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

Purpose of this Report

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

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

Pat McCarthy, State Auditor

Olympia, WA

March 25, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Jefferson County January 1, 2020 through December 31, 2020

Board of Commissioners
Jefferson County
Port Townsend, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Jefferson County, for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 22.

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, Jefferson 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 Jefferson County, and its changes in cash and investments, for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

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

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Jefferson County, as of December 31, 2020, or the changes in financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matters of Emphasis

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

As discussed in Note 4 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the County is unknown. Our opinion is not modified with respect to this matter.

As discussed in Note 6 to the financial statements, in 2020, the County adopted new accounting guidance for fiduciary fund reporting, as required by the BARS manual. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

March 25, 2022

FINANCIAL SECTION

Jefferson County January 1, 2020 through December 31, 2020

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

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

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

		Total for All Funds (Memo Only)	001 GENERAL FUND	103 ELECTIONS CARES ACT	104 HAVA 3 GRANT
Beginning Cash and Investments					
308	Beginning Cash and Investments	30,497,002	7,027,332	-	-
388 / 588	Net Adjustments	(318,080)	26,093	-	-
Revenues					
310	Taxes	22,516,402	14,449,304	-	-
320	Licenses and Permits	1,162,013	29,832	-	-
330	Intergovernmental Revenues	13,142,970	6,226,058	153,422	123,418
340	Charges for Goods and Services	13,598,519	1,728,107	-	-
350	Fines and Penalties	416,137	408,219	-	-
360	Miscellaneous Revenues	1,759,676	949,209	79	119
Total Revenues:		52,595,717	23,790,729	153,501	123,537
Expenditures					
510	General Government	14,292,791	11,313,054	135,025	4,495
520	Public Safety	7,896,809	7,865,616	-	-
530	Utilities	4,026,592	-	-	-
540	Transportation	8,599,904	-	-	-
550	Natural/Economic Environment	4,469,010	132,755	-	-
560	Social Services	5,395,821	94,587	-	-
570	Culture and Recreation	1,050,471	763,960	-	-
Total Expenditures:		45,731,398	20,169,972	135,025	4,495
Excess (Deficiency) Revenues over Expenditures:		6,864,319	3,620,757	18,476	119,042
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,260,477	398,168	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,765,363	542,699	-	-
Total Other Increases in Fund Resources:		6,025,840	940,867	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,188,998	180,541	-	-
591-593, 599	Debt Service	724,802	-	-	-
597	Transfers-Out	4,255,710	2,926,856	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	664,128	500	-	-
Total Other Decreases in Fund Resources:		10,833,638	3,107,897	-	-
Increase (Decrease) in Cash and Investments:		2,056,521	1,453,727	18,476	119,042
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,367,191	172,857	18,476	119,042
50841	Committed	1,010,040	46,682	-	-
50851	Assigned	16,805,078	216,822	-	-
50891	Unassigned	8,053,119	8,070,791	-	-
Total Ending Cash and Investments		32,235,428	8,507,152	18,476	119,042

The accompanying notes are an integral part of this statement.

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

		105 AUDITOR'S O&M	106 COURTHOUSE FACILITATOR	107 BOATING SAFETY PROGRAM	108 COOPERATIVE EXTENSION
Beginning Cash and Investments					
308	Beginning Cash and Investments	10,666	10,393	39,276	13,413
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	51,817	-	26,687	140,268
340	Charges for Goods and Services	35,570	2,960	-	19,462
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	98	-	-	311
Total Revenues:		87,485	2,960	26,687	160,041
Expenditures					
510	General Government	65,647	4,245	-	-
520	Public Safety	-	-	18,269	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	130,801
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	235,991
Total Expenditures:		65,647	4,245	18,269	366,792
Excess (Deficiency) Revenues over Expenditures:		21,838	(1,285)	8,418	(206,751)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	566	-	15,000	304,463
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		566	-	15,000	304,463
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		22,404	(1,285)	23,418	97,712
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	33,070	9,108	-	411
50841	Committed	-	-	-	110,715
50851	Assigned	-	-	62,694	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		33,070	9,108	62,694	111,126

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

		109 NOXIOUS WEEDS	113 4-H AFTER SCHOOL	119 JEFFCOM BOND INDEBTDNES	120 CRIME VICTIMS SERVICES
Beginning Cash and Investments					
308	Beginning Cash and Investments	97,997	32,499	29,391	152,930
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	206,640	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	75,104
340	Charges for Goods and Services	25,000	-	-	32,303
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	144,506	-	-	19
Total Revenues:		169,506	-	206,640	107,426
Expenditures					
510	General Government	-	-	-	59,704
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	138,164	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		138,164	-	-	59,704
Excess (Deficiency) Revenues over Expenditures:		31,342	-	206,640	47,722
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	11,300	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		11,300	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	206,581	-
597	Transfers-Out	21,596	32,499	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		21,596	32,499	206,581	-
Increase (Decrease) in Cash and Investments:		21,046	(32,499)	59	47,722
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	29,450	-
50851	Assigned	119,043	-	-	200,652
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		119,043	-	29,450	200,652

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

		123 GRANTS MANAGEMENT	125 HOTEL/MOTEL	127 PUBLIC HEALTH	128 WATER QUALITY
Beginning Cash and Investments					
308	Beginning Cash and Investments	22,602	623,553	1,544,406	548,149
388 / 588	Net Adjustments	-	-	9,829	-
Revenues					
310	Taxes	-	481,213	48,899	-
320	Licenses and Permits	-	-	392,134	-
330	Intergovernmental Revenues	66,455	-	1,829,987	927,217
340	Charges for Goods and Services	-	-	1,412,865	44,483
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	4,098	1,320	423,771
Total Revenues:		66,455	485,311	3,685,205	1,395,471
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	106,729	415,082	-	1,213,034
560	Social Services	-	-	4,616,562	-
570	Culture and Recreation	-	7,500	-	-
Total Expenditures:		106,729	422,582	4,616,562	1,213,034
Excess (Deficiency) Revenues over Expenditures:		(40,274)	62,729	(931,357)	182,437
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	888,826	18,881
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	2,588	-
Total Other Increases in Fund Resources:		-	-	891,414	18,881
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	82,525	310,683
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	52,405	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	52,405	82,525	310,683
Increase (Decrease) in Cash and Investments:		(40,274)	10,324	(122,468)	(109,365)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	633,877	28,548	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	1,403,221	438,784
50891	Unassigned	(17,672)	-	-	-
Total Ending Cash and Investments		(17,672)	633,877	1,431,769	438,784

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

		130 MENTAL HEALTH	131 CHEMICAL DEPENDENCY	134 JC INMATE COMMISSARY	135 JEFFERSON CO DRUG FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	38,855	511,151	94,577	45,759
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	48,899	585,314	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	113	-	-	-
340	Charges for Goods and Services	-	-	15,171	-
350	Fines and Penalties	-	-	-	7,918
360	Miscellaneous Revenues	6	-	654	262
Total Revenues:		49,018	585,314	15,825	8,180
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	12,924	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	467,274	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	467,274	12,924	-
Excess (Deficiency) Revenues over Expenditures:		49,018	118,040	2,901	8,180
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	2,588	-	-	-
Total Other Increases in Fund Resources:		2,588	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	25,000	87,955	-	16,789
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		25,000	87,955	-	16,789
Increase (Decrease) in Cash and Investments:		26,606	30,085	2,901	(8,609)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	65,461	541,236	97,478	37,150
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		65,461	541,236	97,478	37,150

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

		140 LAW LIBRARY	141 TRIAL COURT IMPROVEMENT	143 COMMUNITY DEVELOPMENT	148 AFFORDABLE HOUSING
Beginning Cash and Investments					
308	Beginning Cash and Investments	6,105	23,649	274,164	187,033
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	52,155
320	Licenses and Permits	-	-	550,832	-
330	Intergovernmental Revenues	-	28,336	29,753	-
340	Charges for Goods and Services	7,645	-	506,908	59,754
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	43	1,402
Total Revenues:		7,645	28,336	1,087,536	113,311
Expenditures					
510	General Government	-	18,000	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	1,705,886	-
560	Social Services	-	-	-	74,068
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	18,000	1,705,886	74,068
Excess (Deficiency) Revenues over Expenditures:		7,645	10,336	(618,350)	39,243
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,827	-	661,139	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		4,827	-	661,139	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	14,326	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	9,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	13,110	-
Total Other Decreases in Fund Resources:		14,326	9,000	13,110	-
Increase (Decrease) in Cash and Investments:		(1,854)	1,336	29,679	39,243
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	4,251	24,985	-	226,276
50841	Committed	-	-	-	-
50851	Assigned	-	-	303,843	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		4,251	24,985	303,843	226,276

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

		149 HOMELESS HOUSING	150 TREASURER'S O&M	151 TREASURER'S REET	155 VETERAN'S RELIEF
Beginning Cash and Investments					
308	Beginning Cash and Investments	304,171	51,547	29,666	95,545
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	49,515
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	10,250	114
340	Charges for Goods and Services	379,365	26,473	5,098	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,320	321	-	647
Total Revenues:		381,685	26,794	15,348	50,276
Expenditures					
510	General Government	-	28,054	4,000	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	175,267	-	-	51,945
560	Social Services	133,163	-	-	10,167
570	Culture and Recreation	-	-	-	-
Total Expenditures:		308,430	28,054	4,000	62,112
Excess (Deficiency) Revenues over Expenditures:		73,255	(1,260)	11,348	(11,836)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	17,860
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	2,621
Total Other Increases in Fund Resources:		-	-	-	20,481
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	10,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	10,000	-
Increase (Decrease) in Cash and Investments:		73,255	(1,260)	1,348	8,645
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	377,426	-	31,014	104,190
50841	Committed	-	-	-	-
50851	Assigned	-	50,287	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		377,426	50,287	31,014	104,190

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

		175 PARKS IMPROVEMENT	180 ROADS	202 RID BONDS	204 DEBT SERVICE
Beginning Cash and Investments					
308	Beginning Cash and Investments	134,319	4,634,181	4,624	368,363
388 / 588	Net Adjustments	-	1,406	-	(366,626)
Revenues					
310	Taxes	-	4,091,706	-	-
320	Licenses and Permits	-	181,640	-	-
330	Intergovernmental Revenues	28,188	3,189,077	-	-
340	Charges for Goods and Services	-	21,530	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	56,951	754	33	11
Total Revenues:		85,139	7,484,707	33	11
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	6,697,005	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	43,020	-	-	-
Total Expenditures:		43,020	6,697,005	-	-
Excess (Deficiency) Revenues over Expenditures:		42,119	787,702	33	11
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	55,516	228,816	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	306,578	-	618,018
Total Other Increases in Fund Resources:		55,516	535,394	-	618,018
Other Decreases in Fund Resources					
594-595	Capital Expenditures	115,671	1,351,936	-	-
591-593, 599	Debt Service	-	41,182	-	-
597	Transfers-Out	15,000	4,500	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	32,500	-	618,018
Total Other Decreases in Fund Resources:		130,671	1,430,118	-	618,018
Increase (Decrease) in Cash and Investments:		(33,036)	(107,022)	33	11
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	255,912	-	-
50841	Committed	-	-	-	-
50851	Assigned	101,283	4,272,637	4,654	1,748
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		101,283	4,528,549	4,654	1,748

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

		301 CONSTRCTN & RENOVATN	302 CAPITAL IMPROVEMENT	306 PUBLIC INFRASTCTR	308 CONSERVATN FUTURES TAX
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,473,476	1,142,162	1,393,235	660,299
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	1,712,525	531,712	258,520
320	Licenses and Permits	7,575	-	-	-
330	Intergovernmental Revenues	10,467	-	-	599
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	8,000	13,953	5,783	4,934
Total Revenues:		26,042	1,726,478	537,495	264,053
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	399,347	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	399,347	-
Excess (Deficiency) Revenues over Expenditures:		26,042	1,726,478	138,148	264,053
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	65,117	1,000,000	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	34,477	32,500	-	13,684
Total Other Increases in Fund Resources:		99,594	1,032,500	-	13,684
Other Decreases in Fund Resources					
594-595	Capital Expenditures	926,563	-	-	420,373
591-593, 599	Debt Service	-	256,000	-	-
597	Transfers-Out	-	552,110	363,087	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		926,563	808,110	363,087	420,373
Increase (Decrease) in Cash and Investments:		(800,927)	1,950,868	(224,939)	(142,636)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	3,093,031	1,168,296	-
50841	Committed	-	-	-	517,663
50851	Assigned	672,549	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		672,549	3,093,031	1,168,296	517,663

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

		401 SOLID WASTE	405 TRI-AREA SEWER	501 EQUIPMENT RENTAL	502 RISK MANAGEMENT RESERVE
Beginning Cash and Investments					
308	Beginning Cash and Investments	2,779,387	722,770	2,206,556	221,987
388 / 588	Net Adjustments	762	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	47,314	147,046	-	-
340	Charges for Goods and Services	3,758,377	-	2,507,441	50,197
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	19,034	4,835	5,049	-
Total Revenues:		3,824,725	151,881	2,512,490	50,197
Expenditures					
510	General Government	-	-	-	49,873
520	Public Safety	-	-	-	-
530	Utilities	3,583,231	443,361	-	-
540	Transportation	-	-	1,902,899	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,583,231	443,361	1,902,899	49,873
Excess (Deficiency) Revenues over Expenditures:		241,494	(291,480)	609,591	324
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,535	298,087	18,883	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	72,624	-	123,156	-
Total Other Increases in Fund Resources:		77,159	298,087	142,039	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	182,976	-	731,957	-
591-593, 599	Debt Service	-	221,039	-	-
597	Transfers-Out	24,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		206,976	221,039	731,957	-
Increase (Decrease) in Cash and Investments:		111,677	(214,432)	19,673	324
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	66,421	-	-	-
50841	Committed	-	305,530	-	-
50851	Assigned	2,825,405	202,808	2,226,229	222,311
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		2,891,826	508,338	2,226,229	222,311

The accompanying notes are an integral part of this statement.

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

		505 EMPLOYEE BENEFIT RESERVE	506 INFORMATION SERVICES	507 FACILITIES MANAGEMENT
Beginning Cash and Investments				
308	Beginning Cash and Investments	799,895	1,562,200	578,719
388 / 588	Net Adjustments	-	10,456	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	31,280	-
340	Charges for Goods and Services	245,991	1,760,245	953,574
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	75,417	-	35,737
Total Revenues:		321,408	1,791,525	989,311
Expenditures				
510	General Government	100,976	1,450,671	1,059,047
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		100,976	1,450,671	1,059,047
Excess (Deficiency) Revenues over Expenditures:		220,432	340,854	(69,736)
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	268,493	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	5,238	-	8,592
Total Other Increases in Fund Resources:		5,238	268,493	8,592
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	871,447	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	114,913	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		114,913	871,447	-
Increase (Decrease) in Cash and Investments:		110,757	(262,100)	(61,144)
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	-	-	-
50841	Committed	-	-	-
50851	Assigned	910,652	1,310,556	517,575
50891	Unassigned	-	-	-
Total Ending Cash and Investments		910,652	1,310,556	517,575

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Investment Trust	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	87,036,023	132,503	396,929	86,506,591
388 & 588	Net Adjustments	408,770	111,800,056	131,578	(111,522,864)
310-390	Additions	258,954,202	-	4,759,311	254,194,891
510-590	Deductions	233,500,525	-	4,798,394	228,702,131
	Net Increase (Decrease) in Cash and Investments:	25,453,677	-	(39,083)	25,492,760
508	Ending Cash and Investments	112,898,471	111,932,559	489,424	476,488

The accompanying notes are an integral part of this statement.

Jefferson County
Notes to the Financial Statements
For the year ended 12/31/2020

Note 1 - Summary of Significant Accounting Policies

Jefferson County was incorporated on December 22, 1852, and operates under the laws of the state of Washington applicable to a County with a Commissioner form of government. The County is a general purpose local government and provides public safety, planning and zoning, road improvement, parks and recreation, judicial administration, health and social services and general administrative services.

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 presented using classifications that are similar to the ending balance classification 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.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

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 a custodian on behalf of others.

Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust.

Investment Trust Funds

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

Private-Purpose Trust Funds

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

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.

In accordance with state law, Jefferson County also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 5 - *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 four years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Non-exempt, represented employees may accumulate vacation up to 10 days and is payable upon separation or retirement. The employee may carry over five additional days with department head approval and another additional five days with County Administrator approval. In addition, sick leave may be accumulated up to 1,920 hours. Upon retirement employees receive payment for 25% of the value of unused sick leave and are recognized as expenditures when paid.

Exempt, non-represented employees accumulate Personal Time Off (PTO) depending on the length of employment. The maximum to accumulate is 480 hours plus the PTO yearly accrual. Upon separation or retirement, employees receive the full amount of PTO accrued.

F. Long-Term Debt

See Note 8 - *Debt Service Requirement*.

G. Restricted and Committed Portion of Ending Cash and Investments

Effective for the year ending December 31, 2020, the County adopted the new cash reporting requirements per the BARS Manual that requires cash and investments be classified as non-spendable, restricted, committed, assigned or unassigned.

Beginning and Ending Cash and Investments is reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of County Commissioners. When expenditures that meet restrictions are incurred, the County intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$7,377,231.

Note 2 - Budget Compliance

The County adopts annual appropriated budgets for the general, special revenue, capital projects, and proprietary funds. These budgets are appropriated at the fund level (except the general (current expense)

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	Actual Expenditures	Variance
General Fund:			
Assessor	984,550	950,605	33,945
Auditor	747,518	735,664	11,854
Elections	322,985	322,982	3
Clerk	483,398	479,035	4,363
County Administrator	454,968	437,549	17,419
Commissioners	583,679	571,103	12,576
Board of Equalization	27,054	21,683	5,371
Civil Service	2,445	1,424	1,021
Planning Commission	19,638	10,862	8,776
Public Safety	211,945	184,063	27,882
Community Services	210,855	210,584	271
District Court	918,588	889,459	29,129
Juvenile Services	1,222,803	1,066,187	156,616
Prosecutor	1,362,812	1,334,148	28,664
Coroner	54,617	50,417	4,200
Sheriff	6,907,883	6,629,104	278,779
Superior Court ****	376,253	375,952	301
Treasurer	543,375	521,346	22,029
Operating Transfers	3,447,815	3,427,815	20,000
Non Departmental	6,866,920	4,980,604	1,886,316
TOTAL GENERAL FUND	25,750,101	23,200,586	2,549,515
Other Funds:			
Elections Cares Act	153,422	135,026	18,396
Hava 3 Grant	123,419	4,496	118,923
Auditor's O&M	66,795	65,646	1,149
Courthouse Facilitator	5,297	4,245	1,052
Boating Safety	50,000	18,267	31,733
Cooperative Extension***	483,903	366,791	117,112
Noxious Weed Control***	162,632	159,763	2,869
4H After School	32,500	32,500	0
Jeff Com Capital	206,581	206,581	0

Fund/Department	Final Appropriated	Actual Expenditures	Variance
Crime Victims	136,600	59,706	76,894
Grants Management	401,680	106,729	294,951
Hotel / Motel	536,525	474,987	61,538
H&HS Site Management	3,400	0	3,400
Public Health	5,651,855	5,065,652	586,203
Water Quality *	1,697,049	1,523,717	173,332
Mental Health	94,250	25,000	69,250
Chemical Depend/Mental	631,627	555,229	76,398
JC Inmate Commissary	41,500	12,924	28,576
JC Drug	16,789	16,789	0
Law Library	16,409	14,326	2,083
Trial Court Improvement	27,000	27,000	0
Community Development	1,710,390	1,709,533	857
JC Affordable Housing **	178,780	74,068	104,712
Homeless Housing Fund **	453,082	308,430	144,652
Treasurer's O&M	46,670	28,054	18,616
REET Technology	14,000	14,000	0
Veteran's Relief	75,934	62,107	13,827
Water Pollution Control	7,000	0	7,000
Parks & Recreation	710,758	583,015	127,743
Parks Improvement	287,088	173,691	113,397
Post Harvest Timber	1,500	0	1,500
County Roads	9,438,700	8,127,123	1,311,577
Facilities	1,228,722	1,059,047	169,675
Flood/Storm Water	2,468	0	2,468
Brinnon Flood Control	2,500	0	2,500
Quilcene Flood Control	38,586	9,627	28,959
Construction & Renovation	1,538,451	926,563	611,888
Co Capital Improvement	915,051	808,110	106,941
Public Infrastructure	1,335,651	762,434	573,217
Conservation Futures	645,799	420,373	225,426
Solid Waste *	3,835,545	3,804,046	31,499
Tri Area Sewer	1,321,855	664,400	657,455
ER&R	3,110,552	2,634,859	475,693
Risk Management Reserve	150,000	49,873	100,127
Employee Benefit Reserve	237,274	215,889	21,385
Information Services	2,733,057	2,322,118	410,939
Total Other Funds	40,558,646	33,632,734	6,925,912

* Management Funds – these funds manage other funds that are maintained separately for accounting purposes and then rolled into one fund for reporting.

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments by the County Auditor; 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 Jefferson County Board of Commissioners.

Note 3 – Component Unit(s), Joint Ventures, and Related Parties

Component Unit(s) – None

Joint Ventures

JeffCom became a separate entity from the County in 2012. The County has financial responsibility for two JeffCom bonds as identified on Schedule 9: 1) LTGO Rfg 2016A- JeffCom, 2) LTGO Refg 2016B – E911. The outstanding debt is \$1,913,916. The debt is an obligation of the County. Sales Tax collected for emergency communications pays the debt per an Interlocal Agreement Regarding Revenue to Service Bonded Indebtedness for JeffCom, recorded AFN 568349.

Related Parties

Conflicts of Interest - Per Jefferson County Code 3.55.110 Conflicts of Interest states:

All persons involved in county purchasing are required to follow the rules regarding conflicts of interest as set forth in Chapter 42.23 RCW as now or hereafter amended and, in addition thereto, are expressly prohibited from accepting, directly or indirectly, from any person, company, firm, or corporation to which any procurement or contract is or might be awarded, any rebate, gift, money or anything of value whatsoever, except where given for the use and benefit of the county (Ord. 5-92).

Note 4 – COVID-19 Pandemic

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 – Covid-19. In the months following the declaration, exceptional efforts were made to slow the spread of the virus. These measures included closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, requiring people to stay home unless they are leaving for an essential function and mandating the wearing of masks. These measures took a heavy toll on governments at all levels, non-profits and the local business community.

We entered the pandemic with a belief that our revenues would be substantially reduced and that our costs would skyrocket, possibly creating fund balance concerns. We established expenditure budget reduction targets for all general fund departments totaling \$150,000 in 2020 and tentatively \$100,000 in 2022. These reductions needed to be reductions to departmental base budgets.

As the pandemic continued throughout the year it became evident that our general fund revenues would not be reduced as we had predicted. We actually saw impressive increases in sale tax revenue, likely from increased online sales. Recording fee and REET revenues surged from refinanced mortgages and the turnover of high value homes in the real estate market. In addition to solid revenues the county received approximately \$3.0 million in CARES Act funding which offset the county's pandemic related cost increases.

Some county revenues were reduced by the pandemic. Motor Vehicle Fuel Tax revenue was substantially reduced because of pandemic related travel restrictions. Similarly, Hotel Motel tax revenues were heavily impacted since people couldn't travel and our hospitality industry was largely shut down.

As vaccines are administered and the pandemic subsides our local economy has rebounded robustly. With this, coupled with funding from the 2021 Rescue America Plan, the county's financial future would appear to be secure. However, one unknown variable is the financial impact to the county of the Washington State Supreme Court's recent Blake decision. This decision may place a significant financial burden on the county. Legislators, other elected officials and staff at all levels of Washington government are wrestling with the potential impacts of the decision. We remain hopeful that the state legislature will fund 100% of costs related to the Blake decision. If they fail to do so the county has the resources to meet our obligations.

Note 5 – Deposits and Investments

Investments are reported at (amortized cost/original cost/fair value). Deposits and investments by type at December 31, 2020 are as follows:

Type of Investment	Jefferson County's Own Deposits and Investments	Deposits and Investments Held by Jefferson County as a custodian for other local governments, individuals or private organizations	Total
Bank deposits	\$ 1,056,892	\$ 252,130	\$ 1,309,022
Certificates of deposit	\$ 13,500,000	\$ 1,466,743	\$ 14,966,743
Local Government Investment Pool	\$ 5,132,756	\$ 110,734,756	\$ 115,867,512
U.S. Government securities	\$ 1,998,301	\$ 444,842	\$ 2,443,143
Public Interest Checking	\$ 10,547,479		\$ 10,547,479
Total	\$ 32,235,428	\$ 112,898,471	\$ 145,133,899

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's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

Other Disclosures

Special district funds invested by Jefferson County Treasurer including those invested in the State Treasurer LGIP, are legally protected from creditors. As such, said funds are reported as Investment Trust.

Compensating Balances

Jefferson County has a compensating balance agreement with 1st Security Bank of Washington. The average compensating balance maintained during the year was \$4,910,324.

	Required offset Needed for Offset	Average Collected Balance	Charge
Jan-20	3,660,023.61	6,516,856.45	
Feb-20	3,989,172.81	6,768,357.03	
Mar-20	3,757,226.16	6,308,583.55	
Apr-20	4,793,355.60	7,628,811.12	
May-20	4,659,965.06	6,858,775.03	
Jun-20	4,946,205.32	6,313,685.88	
Jul-20	5,480,586.33	5,855,949.65	133.57
Aug-20	5,413,053.40	6,525,846.10	
Sep-20	4,656,056.79	5,899,077.07	
Oct-20	5,980,770.59	5,980,770.59	
Nov-20	5,692,715.23	7,093,637.93	
Dec-20	5,894,756.62	6,190,950.97	205.13
Average	4,910,323.96	6,495,108.45	

Note 6 – External Investment Pool

Effective on December 31, 2020, the County adopted the new fiduciary fund reporting requirements of the BARS Manual requiring that external portion of investment pools and individual investment accounts that are held in trust by the County on behalf of special purpose districts be reported within an Investment Trust Fund separate from the custodial funds maintained for each special purpose district. As a result of adoption of this new standard, the County reflects a re-characterization of total ending investments of \$111,800,356 from Custodial Funds to the Investment Trust Fund.

The External Investment Pool sponsored by the County was established in 2014. 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, 2020, 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 current expense 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 \$380,191. 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.

100% of the County Treasurer's Pool consists of these involuntary participants. The deposits held for both involuntary and voluntary entities are included in the Pooled Investment Trust Fund.

The Treasurer also maintains Individual Investment Accounts, as directed by external depositors, which are invested pursuant to the Revised Code of Washington. This investment activity occurs separately from the County's Pool and is reported in the Individual Investment Trust Fund in the amount of \$1,911,585. Income from the specific investments acquired for the individual municipalities, and changes in the value of those investments, affect only the municipality for which they are acquired, and are aggregated in the Individual Investment Fund.

Note 7 - Interfund Loans

The following table displays interfund loan activity during 2020:

Borrowing Fund	Lending Fund	Balance 1/1/2020	New Loans	Payments	Balance 12/31/2020
County Roads	Capital Improvement	\$552,500	\$0	\$32,500	\$520,000
Totals		\$552,500	\$0	\$32,500	\$520,000

Note 8 – Debt Service Requirements

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the County and summarizes the County's debt transactions for year ended December 31, 2020.

The debt service requirements for general obligation bonds, revenue bonds and other debt including both principal and interest are as follows:

Year	Principal	Interest	Total
2021	\$ 677,874	\$ 84,358	\$ 762,232
2022	\$ 430,785	\$ 69,037	\$ 499,822
2023	\$ 442,332	\$ 62,498	\$ 504,830
2024	\$ 449,776	\$ 55,325	\$ 505,101
2025	\$ 457,271	\$ 47,471	\$ 504,741
2026 – 2030	\$1,714,998	\$122,158	\$1,837,156
2031 – 2046	\$ 924,775	\$ 39,303	\$ 964,078
Total	\$5,097,810	\$480,150	\$5,577,961

Debt Refunding

The County did not issue refunding bonds in 2020.

Debt Guarantees

The County did not issue any Debt Guarantees.

Unused Lines of Credit

At fiscal year end, the County had no lines of credit.

Assets Pledged as Collateral for Debt

The following debt is secured by assets that are pledged as collateral:

Debt	Asset
Castle Hill Contract	APN 948323701; 948323702; 948323801

Significant Debt Agreement Terms

The following financial instruments contain debt agreement terms with finance related consequences:

Debt	Clause
Castle Hill Contract	<p>Per Real Estate Contract and Security Agreement recorded under AFN 453552, the following terms apply:</p> <p>Any installment payment required by the agreement that is more than seven (7) business days delinquent or late shall be accompanied by a late payment fee of Two Thousand Five Hundred Dollars (\$2,500.00).</p> <p>No prepayment allowance without prior written consent of Seller.</p>

Note 9 – OPEB Plans

The County has a commitment to pay for post-employment benefits, a defined benefit plan, for employees that belong to LEOFF I Retiree Medical Plan. Agencies that are served by the plan administrators, Jefferson County and City of Port Townsend Disability Board, are the Jefferson County Sheriff’s Office, Port Townsend Police Department and the Port Townsend Fire Department.

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the County as required by RCW 41.26. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2020, the plan had six members, all retirees. As of December 31, 2020, the County’s total OPEB liability was \$2,836,666, as calculated using the alternative measurement method. For the year ended December 31, 2020, the County paid \$34,459.24 in approved benefits.

Note 10 – Pension Plans

A. 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 as follows: PERS 1, PERS 1 UAAL (incl. with PERS 1 below), PERS 2/3, LEOFF 1, LEOFF 2, PSERS 2.

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, 2020 (the measurement date of the plans), the County's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities (Schedule 09), was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 680,413	0.093883%	\$ 3,314,577
PERS 2/3	\$1,019,685	0.110687%	\$ 1,415,624
PSERS 2	\$ 91,725	0.207673%	\$ (28,576)
LEOFF 1		0.013926%	\$ (262,994)
LEOFF 2	\$ 106,517	0.054451%	\$(1,110,721)

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. Jefferson County has no active LEOFF Plan 1 employees.

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.

B. Local Government Pension Plans - Not Applicable

C. Defined Contribution Pension Plans- Not Applicable

Note 11 - 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 2020 was \$1.3846746185 per \$1,000 on an assessed valuation of \$5,988,145,402 for a total regular levy of \$8,291,632.

The statutory maximum rate that the county could levy is \$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 2020 was \$1.1218293332 per \$1,000 on an assessed valuation of \$4,123,748,054 for a total road levy of \$4,626,141.

Of the \$4,626,141 road levy, the County diverted \$720,000 to General Fund per RCW 84.52.043 (1) (d).

Note 12 – Risk Management

A. General Insurance

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

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

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2020, Jefferson 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 2019-20, the Pool’s SIR was \$2,000,000. The reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30 million (lowest reinsured layer), and \$50 million (second layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. Sixteen of the Pool’s 26-member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

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

automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

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

During 2019-20, Jefferson County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. The Pool carries a \$100,000 per claim deductible, while each participating county is responsible for paying their selected deductible within the Pool's deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Jefferson County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer. The Pool carries a \$100,000 per claim SIR, while participating member counties do not have deductibles.

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

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

During 2019-20, the WCRP's assets increased to \$61 million while its liabilities decreased to \$36.3 million. The Pool's net position was \$24.7 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2020 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

B. Workers Compensation

The County pays premiums to the State of Washington Department of Labor and Industries based on hours worked for each employee.

C. Unemployment Compensation

The County is currently on the Reimbursable basis with the Washington State Employment Security Department. The County paid Employment Security \$22,220 in unemployment charges for 2020. The County also contracts with Braun Consulting to assist with the claims handling, and in 2020, we paid \$30,000 on a \$2,500 per month retainer.

Note 13 – Other Disclosures

A. Contingencies and Litigations

The Jefferson County Prosecuting Attorney's Office (JCPAO) interprets the "material or significant" threshold for disclosure to be limited to matters involving amounts over \$50,000 individually or in aggregate. This note covers the period January 1, 2020 to March 17, 2021.

JCPAO's response is consistent with the standards of professional responsibility applicable to attorneys, including the American Bar Association's Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (2003). The limitations set forth in the ABA Statement of Policy on the scope and use of this response (§§ 2, 7) are specifically incorporated into this letter, and any description of any "loss contingencies" is qualified in its entirety by § 5 of the ABA Statement of Policy and accompanying commentary. Consistent with the ABA Statement of Policy, JCPAO'S response is limited to litigation, claims and assessments, including claims that are of probable assertion with at least a reasonable possibility of an unfavorable outcome, which have been given substantive attention by JCPAO in the form of legal consultation or legal representation during the period reported. No other review has been made by JCPAO of any of Jefferson County's transactions or other matters for the purpose of identifying loss contingencies to be described in JCPAO's Response.

1. *D'Amico v. Jefferson County*, Clallam County Superior Court, Case No. 18-2-00584-05 (lawsuit).
 - a. This is a public records case filed June 21, 2018. The Washington Counties Risk Pool does not provide coverage for claims under the Public Records Act.
 - b. Numerous public records were provided to the plaintiff. However, a number of the records were redacted. The plaintiff claims for the redactions, public records act violations for failing to cite the correct exemption and failure to provide a proper brief explanation. The plaintiff makes the novel claim that each *violation* can result in a \$100 per day per violation penalty. The plaintiff's theory is contrary to the law which clearly states that a court only can award penalties for *withholding records*.
 - c. Jefferson County admits it made mistakes in responding to the public records request that will result in some liability under the Public Records Act, including reasonable attorney's fees for Jefferson County's non-compliance. At this point, it is not possible for the JCPAO to assess whether the attorney's fee claim alone will exceed \$50,000.

- d. Potential Exposure Analysis: In addition to attorney's fees, Jefferson County may be exposed to a penalty from zero to \$100 per day per withheld record. The JCPAO estimates that the maximum theoretical penalty would be approximately \$4,672,000.
 - e. Jefferson County settled the case for \$1878,356 by an offer of judgment that was accepted by the Plaintiff. A Satisfaction of Judgment was filed on September 1, 2020.
2. *Jessica Morris v. Jefferson County*, Jefferson County Superior Court Case No. 20-2-00123-16 (lawsuit).
- a. On May 27, 2019, Jessica Morris served a tort claim on Jefferson County. Ms. Morris was in an automobile accident with a Jefferson County Deputy Sheriff on April 5, 2019.
 - b. The claim was tendered to the Washington Counties Risk Pool, which accepted the defense, and began settlement negotiations with Ms. Morris' lawyer. On May 1, 2020, Ms. Morris' lawyer sent a demand letter to the Washington Counties Risk Pool claiming \$434,322.14, including medical expenses, wage losses of \$134,322.14 and general damages of \$300,000. The case did not settle.
 - c. A lawsuit was filed on August 5, 2020. The defendants, including Jefferson County, are being defended by Mark Dynan, a lawyer hired and paid for by the Washington Counties Risk Pool. We believe Jefferson County has substantial defenses to the lawsuit.
 - d. Potential Exposure Analysis: Because this claim is covered by the Washington Counties Risk Pool, Jefferson County's maximum exposure is \$25,000, its self-insured retention.
3. *Patrick McAllister v. Jefferson County*, Tort Claim Served on June 20, 2019, Settlement through Mediation (no lawsuit).
- a. On June 20, 2019, Patrick McAllister served a tort claim on Jefferson County. McAllister alleged he was wrongfully convicted in 2012 of multiple counts of rape and fourth degree assault in violation of his civil rights, resulting in about five years in prison. On July 25, 2017, the Court of Appeals, Div. II upheld McAllister's personal restraint petition. The Jefferson County Prosecutor declined to re-try McAllister. McAllister's tort claim demanded \$15,000,000. Jefferson County had defenses to McAllister's tort claim.
 - b. Jefferson County tendered McAllister's tort claim to the Washington Counties Risk Pool, which has accepted coverage and is providing a defense to Jefferson County.
 - c. Potential Exposure Analysis: At a mediation on November 14, 2019, the Washington Counties Risk Pool settled the case. Under the contract between Jefferson County and the Washington Counties Risk Pool, Jefferson County's current self-insured retention is \$25,000 (including defense costs and indemnity). As a result of the settlement, Jefferson County paid or will pay its \$25,000 self-insured retention, Jefferson County's maximum exposure on this claim.
4. *D'Amico and Fort Discovery Corporation v. Jefferson County*, United States District Court for the Western District of Washington, Tacoma Division, Case No. 3:20-cv-05253 (lawsuit).

- a. This is a case filed in federal court on March 16, 2020 seeking relief under 42 U.S.C. Section 1983 for alleged violations of the plaintiffs' civil rights under the First, Second and, Fourteenth Amendments to the United States Constitution. The federal civil rights claims are: (1) First Amendment Retaliation; (2) Violation of Second Amendment; (3) Due Process Violations under the Fourteenth Amendment; and, (4) Equal Protection Violations Under the Fourteenth Amendment. On the federal civil rights claims, the plaintiffs seek actual and punitive damages pursuant to 42 U.S.C. § 1983, and attorney's fees and costs pursuant to 42 U.S.C. § 1988. Jefferson County has defenses to these federal civil rights claims and plans to defend the claims vigorously.
- b. The complaint was amended on April 6, 2020 to add various state law claims, relying on federal supplemental jurisdiction. The state law claims alleged are: (1) Washington Constitution Article I, § 5 Free-Speech Retaliation; (2) Tortious Interference with Contract; (3) Civil Conspiracy; (4) Consumer Protection Act (Restraint of Trade); and, (5) Washington Constitution Article I, § 24 Violation. Plaintiffs have advised they will file a Second Amended Complaint to add a sixth state law claim for false light. On the pendent state law claims, the plaintiffs seek actual damages and attorney's fees and on their Consumer Protection Act claim, treble damages pursuant to RCW 19.86.090 and a civil penalty pursuant to RCW 19.86.140. Jefferson County has defenses to these state law claims and plans to defend the claims vigorously.
- c. Jefferson County tendered this lawsuit to the Washington Counties Risk Pool, which accepted coverage and is provided a defense under a reservation of rights. Andrew Cooley was selected as counsel by the Washington Counties Risk Pool to defend all defendants, including Jefferson County.
- d. The plaintiffs also served three tort claims on Jefferson County that are within the scope of this federal lawsuit and total \$101,000,000. However, Jefferson County has applicable defenses that would significantly reduce this exposure. Considering Jefferson County's defenses, the JCPAO cannot reasonably determine a likely maximum exposure but, including attorney's fees, Jefferson County's exposure may exceed the "material or significant" threshold of \$50,000.
- e. The case settled on March 2, 2021, as part of a comprehensive settlement that included this case, all past claims, other past lawsuits, and past public records requests against Jefferson County by Joseph D'Amico, Fort Discovery Corporation and Security Services Northwest, Inc. The settlement amount of \$275,000 was paid by the Washington Counties Risk Pool, but Jefferson County will be responsible for \$150,000 of the total, as a result of the settlement of claims, lawsuits, and public records requests not covered by the Washington Counties Risk Pool. The settlement also included other non-monetary terms, including a 5-year moratorium on new public records act requests.

B. Construction Commitment

The County has active construction projects as of December 31, 2020. At year-end the County commitments with contracts are as follows:

Project	Spent to Date	Remaining Commitment
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Center Road	\$497,932.14	\$26,206.95
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Of the committed balance of \$ 26,206.95, the county will NOT be required to raise future financing.

C. Pollution Remediation

The old Quilcene Road Shop site at 101 Rodgers Street is on Ecology’s Hazardous Sites List as the result of a leaking underground diesel storage tank that has since been removed. The tanks and a significant amount of contaminated soil and groundwater were removed and remediated in 1993 by PESCO and AGI; however, contamination remained along the south fence line, and no off-site characterization was performed to determine its extent. Samples taken along the north wall of the excavation (very close to the south wall of the shop building) were below cleanup levels; however, no sampling was performed under the building. Samples taken in 1993 at a private water well 320 feet southeast of the site (70 Fremont Ave.) did not detect any contamination.

In 2014, Ecology assigned the site a hazard ranking of 3 on a scale of 1 to 5. Subsequent discussions with Ecology indicated that there are over 6,000 sites statewide and that Ecology is focusing cleanup efforts on sites ranked as 1 and 2. It could be a number of years before any further action is required at this site. Ecology has a Voluntary Cleanup Program (VCP) which helps landowners through the process to get to a “No Further Action” (NFA) finding, and may have reimbursable grants to help offset costs. Grant funds are typically not available until after NFA status is achieved. Landowners typically enter the VCP in order to enable a sale of property. Responsibility for contamination remains with the original owner of the tanks and is not transferred to new owners. Financing is difficult to obtain on a site that has known contaminants. The County may want to consider entering the VCP at some point; however, there is no current requirement to take any action at this site, and the County is not pursuing this option.

D. Other Accounting Disclosures

1. Fund Deactivation:

In preparation to deactivate Fund 628 – Section 125, balance and activity were moved to Fund 505 Employee Benefit Reserve Fund in 2020. Per Resolution 7-21 dated January 19, 2021, this fund has been deactivated.

2. New Funds Activated:

- a. Fund 103 IG-6888 Elections Cares Act Grant and Fund 104 IG-6935 HAVA 3 Grant are activated per Resolutions 28-20 and 29-20 respectively, as a requirement of the agreements with State of Washington, Secretary of State.
- b. Per SAO Audit request, Fund 606 has been reclassified as Fund 620 JC Drainfield Trust and Fund 602 has been reclassified to Fund 621 Road Improvement Guaranty.
- c. Fund 601 Investment Trust has also been designated in the Schedule 1 to meet with SAO Audit guidelines and will be fully activated in 2022.

3. Negative Year End Fund Balance:

Fund 123 Grants Management ended the year with a negative fund balance due to an expenditure in the 13th Month. Although there was budget authority, the expenditure for CDBG Grant Microenterprises to the subrecipient had an expectation to expend before funds were received from Dept of Commerce. By the end of January, 2021, the funds had been received from DOC, correcting the negative balance at year end. In a normal year, this never would have happened. However, the county made the decision that funds would be given to the subrecipients for the microenterprises in advance of the funds received from the grantor.

4. Prior Period Adjustments Total \$90,690

Fund	Fund Name	Amount	Description
001	GENERAL FUND	3,282	Port Townsend Police Dept reimbursed 2019 overtime coverage.
001	GENERAL FUND	13,212	Port Townsend Police Dept reimbursed 2019 shift coverage.
001	GENERAL FUND	1,625	Refund for 4th Qtr 2019 Facilities Maintenance Costs per license agreement.
001	GENERAL FUND	2,760	Voided checks for escheatment
001	GENERAL FUND	5,214	2019 Ending Balance reported incorrectly due resulting in correction.
127	PUBLIC HEALTH	8,840	Supplies returned for credit
127	PUBLIC HEALTH	947	Refund of portion withheld in 2017 for reconciliation that was completed in 2020.
127	PUBLIC HEALTH	42	Pfizer Mfg refund.
180	ROADS	1,406	Refund of check for Shine Quarry mailed & deposited in error to Penny Creek Quarry.
204	DEBT SERVICE	(366,626)	Fiscal Agent activity reported in 2019 resulted in an overstating 2019 Ending Balance
401	SOLID WASTE	762	Payroll buyback for L&I, sick leave & vacation.
506	INFORMATION SERVICES	2,273	Refund due to VOIP upgrade.
506	INFORMATION SERVICES	8,183	Credit by vendor due to phone upgrade, delaying removing phone lines from the account.
624	JC REVOLVING TRUST	(925)	2019 Ending Balance reported incorrectly due resulting in correction.
656	FIRE DIST #1	316,928	2019 Ending Balance reported incorrectly due resulting in correction.

658	FIRE DIST #2	14,905	2019 Ending Balance reported incorrectly due resulting in correction.
659	FIRE DIST #3	46,467	2019 Ending Balance reported incorrectly due resulting in correction.
661	FIRE DIST #4	13,590	2019 Ending Balance reported incorrectly due resulting in correction.
662	FIRE DIST #5	13,671	2019 Ending Balance reported incorrectly due resulting in correction.
676	LIBRARY DIST #1	4,134	2019 Ending Balance reported incorrectly due resulting in correction.

5. The Board of Commissioners revised the Jefferson County Code by adding a new chapter to be known as Chapter 3.01, providing for a biennial budget for Jefferson County in accordance with RCW 36.40.250. This states that the fiscal biennium commences on 01/01/2020. In accordance with the RCW, a mid-biennium review and modification of the biennial fiscal budget shall occur in all even numbered years after the month of August and prior to the end of December. Budget modifications will be proposed to the Board of Commissioners in a public hearing to be effective the succeeding January 1st.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.61	Castle Hill Propety	12/1/2021	477,318	-	232,530	244,788
263.87	PW Trust Fund Loan	6/1/2033	1,560,559	-	57,798	1,502,761
263.87	RID PW Trust Fund Loan	7/1/2020	26,316	-	26,316	-
263.83	Working Advance Funding from DSHS	6/30/2019	28,548	-	-	28,548
251.11	LTGO Bond 2011 Tri Area	12/1/2026	100,000	-	100,000	-
Total General Obligation Debt/Liabilities:			2,192,741	-	416,644	1,776,097
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	LTGO Rfg 2016A-Jeffcom	12/1/2026	1,119,861	-	151,599	968,262
252.11	LTGO Refg 2016B - RTRI Area	12/1/2030	1,458,054	-	21,708	1,436,346
252.11	LTGO Refg 2016B - E911	12/1/2030	959,946	-	14,292	945,654
259.12	Compensated Absences		1,030,670	328,140	-	1,358,810
263.22	Landfill Post Closure Liability		-	115,251	-	115,251
264.30	Net Pension Liability		4,909,995	-	179,794	4,730,201
264.40	OPEB Liability		2,443,997	392,669	-	2,836,666
Total Revenue and Other (non G.O.) Debt/Liabilities:			11,922,523	836,060	367,393	12,391,190
Total Liabilities:			14,115,264	836,060	784,037	14,167,287

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18247	81,237	-	81,237	- 3
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	CLH18247	947	-	947	- 3
Forest Service Schools and Roads Cluster							
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	N/A	-	363,190	363,190	-
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	N/A	-	41,999	41,999	-
Total Forest Service Schools and Roads Cluster:				-	405,189	405,189	-
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, COMMERCE, DEPARTMENT OF (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	17-1052C	70,396	-	70,396	-
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	19-62210-007	44,705	-	44,705	42,723

The accompanying notes are an integral part of this schedule.

Jefferson County

Expenditures

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Department of Justice)	Bulletproof Vest Partnership Program	16.607	BVP FY19	4,287	-	4,287	-	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA 8904	11,972	-	11,972	-	9
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA100-45	354,608	-	354,608	-	
Total Highway Planning and Construction Cluster:				366,580	-	366,580	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Association of Sheriffs & Police Chiefs)	State and Community Highway Safety	20.600	N/A	5,094	-	5,094	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	N/A	331	-	331	-	5
Total Highway Safety Cluster:				5,425	-	5,425	-	

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-016	2,392,500	-	2,392,500	-	
	COVID 19 - Coronavirus Relief Fund	21.019	CLH18247	597,230	-	597,230	120,000	
			Total CFDA 21.019:	2,989,730	-	2,989,730	120,000	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington Department of Fish and Wildlife)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	18-10502	34,266	-	34,266	-	6
	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	2019-20-JeffCo	4,681	-	4,681	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Northwest Straits Foundation)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18247	21,842	-	21,842	-	3
	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	CLH18247	9,410	-	9,410	-	3

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Health/Hood Canal Coordinating Council)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	PC-01J18001-4	3,789	-	3,789	-	3
			Total CFDA 66.123:	73,988	-	73,988	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Ecology)	National Estuary Program	66.456	CE-01J02301-0	26,000	-	26,000	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Health)	National Estuary Program	66.456	CLH18247	2,315	-	2,315	-	3
			Total CFDA 66.456:	28,315	-	28,315	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Commerce)	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	20-62310-001	18,516	-	18,516	-	
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via Quilcene School District)	Student Support and Academic Enrichment Program	84.424	N/A	666	-	666	-	3
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA State Secretary of State)	COVID 19 - 2018 HAVA Election Security Grants	90.404	IG-6888	127,852	-	127,852	-	

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA State Secretary of State)	2018 HAVA Election Security Grants	90.404	IG-6935	4,496	-	4,496	-	
				132,348	-	132,348	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Public Health Emergency Preparedness	93.069	CLH18247	25,155	-	25,155	-	3
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	K3921	45,662	-	45,662	-	3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	Immunization Cooperative Agreements	93.268	CLH18247	5,986	-	5,986	-	3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CLH18247	36,730	-	36,730	-	3

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Social & Health Services)	Child Support Enforcement	93.563	75-1501-0-1- 609	29,162	-	29,162	-	
		93.563	75-1501-0-1- 609	62,374	-	62,374	-	
		Total CFDA 93.563:			91,536	-	91,536	-
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health Kitsap County)	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	KPHD 1749	2,376	-	2,376	-	3
		93.758	KPHD 2097	7,201	-	7,201	-	3
		Total CFDA 93.758:			9,577	-	9,577	-
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	K3066	114,543	-	114,543	-	3

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Passed through to Subrecipients	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K3066	10,834	-	10,834	3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K3066	5,000	-	5,000	3
Total Medicaid Cluster:				130,377	-	130,377	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA STATE HEALTH CARE AUTHORITY)	Opioid STR	93.788	K3285	215,500	-	215,500	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA STATE HEALTH CARE AUTHORITY)	Opioid STR	93.788	K4868	16,250	-	16,250	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Opioid STR	93.788	K3921	53,657	-	53,657	3
Total CFDA 93.788:				285,407	-	285,407	

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Public Health Seattle & King County)	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	4507 CDIP	636	-	636	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	G25RH32956- 01-02	-	78,099	78,099	-	3
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	G25RH32956- 01-02	-	26,437	26,437	-	3
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	GA1RH39564- 01-00	-	39,427	39,427	-	3
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	GA1RH39564- 01-00	-	13,121	13,121	-	3
Total CFDA 93.912:				-	157,084	157,084	-	

The accompanying notes are an integral part of this schedule.

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

		Expenditures					Passed through to Subrecipients	Note
		Federal Program	CFDA Number	Other Award Number	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)		Block Grants for Prevention and Treatment of Substance Abuse	93.959	K3921	85,194	-	85,194	-
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Department of Health)		Maternal and Child Health Services Block Grant to the States	93.994	CLH18247	32,161	-	32,161	-
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Recreation Commission)		Boating Safety Financial Assistance	97.012	3319FAS19015 3	11,303	-	11,303	-
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4418-DR -WA, D129-127	67,447	-	67,447	10
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637, PW-160	1,077	-	1,077	-
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-637, PW161 v.1	19,180	-	19,180	-

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	Expenditures					Passed through to Subrecipients	Note
		CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
		Total CFDA 97.036:		87,704	-	87,704	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Emergency Management Performance Grants	97.042	E20-195	17,638	-	17,638	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Homeland Security Grant Program	97.067	E19-087	28,305	-	28,305	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Homeland Security Grant Program	97.067	E20-063	15,470	-	15,470	-	
Total CFDA 97.067:				43,775	-	43,775	-	
Total Federal Awards Expended:				4,867,489	562,273	5,429,762	260,458	

The accompanying notes are an integral part of this schedule.

JEFFERSON COUNTY, WASHINGTON

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting of accounting as the Jefferson County financial statements. The basis of accounting Jefferson County uses represents a cash basis of accounting other than accounting principles generally accepted in the United States of America.

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

Note 2 – Federal De Minimis Indirect Cost Rate

The Jefferson County has not elected to use the 10-percent De Minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Federal Indirect Cost Rate(s)

The amount expended includes \$145,721 claimed as an indirect cost recovery using an approved indirect cost rate between 8 percent and 44.84 percent.

Note 4 – Noncash Awards

CFDA 97.036, County received total value \$491,585. These are unaudited amounts.

- 1) Jefferson County Public Health Department received PPE valued as \$498.
- 2) Jefferson County Public Safety & Security Department received PPE valued as \$491,087.

Note 5: State and Community Highway Safety, CFDA # 20.600, includes expenditures of \$331 that were underreported in 2019.

Note 6: Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program, CFDA # 66.123, includes expenditures of \$17,847 that were underreported in 2019. These expenditures were reported as billed but not received in 2019.

Note 7: Block Grants for Prevention and Treatment of Substance Abuse, CFDA # 93.959, includes expenditures of \$11 that were under-reported in 2019.

Note 8: MCH Block Grant, CFDA # 93.994, includes expenditures of \$6 that were under-reported in 2019.

Note 9: Federal-aid Highway Program, CFDA # 20.205, includes expenditures of \$146 that were overstated in 2019. These expenditures were reported as expended but not received in 2019

Note 10: Disaster Grants-Public Assistance (Presidentially Declared Disasters), CFDA # 97.036, reports 2018 expenditures of \$67,447 approved in 2020.



Board of County Commissioners
1820 Jefferson Street
PO Box 1220
Port Townsend, WA 98368

Kate Dean, District 1 Heidi Eisenhower, District 2 Greg Brotherton, District 3

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Jefferson County
January 1, 2020 through December 31, 2020

This schedule presents the corrective action planned by the County for findings reported in this report in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding ref number: 2020-001	Finding caption: The County's internal controls over preparing financial statements were inadequate for ensuring accurate and reliable reporting.
Name, address, and telephone of County contact person: Rose Ann Carroll, Auditor P.O. Box 563 Port Townsend, WA 98368 (360) 385-9225	
<i>Corrective action the auditee plans to take in response to the finding:</i> <i>The County is committed to strengthening internal controls over preparing financial statements accurately, complete and complying with the BARS Manual as follows:</i> <ul style="list-style-type: none"><i>The continued implementation a full ERP financial system. This is anticipated to strengthen internal controls and eliminate the discrepancies that have existed between two financial systems and bank statements.</i><i>County management will fund training opportunities and support coordination with the Finance Manager, Auditor and Treasurer Offices to ensure reporting is accurate, complete, complies with the BARS manual requirements.</i><i>The County has added staffing for county financial accounting and reporting which will insure a secondary review of financial statements are accurate and complete.</i>	

Anticipated date to complete the corrective action:

The County anticipates corrective action with the submittal of the 2021 Annual Report.

The County thanks the SAO for their review and commitment throughout the 2020 Audit for providing answers and information that helped us remedy the errors in the 2020 Annual Report.

This along with the improved financial accounting systems, ongoing training and secondary review will assist Jefferson County with future annual report preparation and submittals.

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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