



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Adams County

For the period January 1, 2021 through December 31, 2021

Published September 19, 2022

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

September 19, 2022

Board of Commissioners
Adams County
Ritzville, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Adams 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,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Adams County January 1, 2021 through December 31, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction
93.323	Covid-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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

Adams County January 1, 2021 through December 31, 2021

Board of Commissioners
Adams County
Ritzville, 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 Adams County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 2, 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.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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



Pat McCarthy, State Auditor

Olympia, WA

September 2, 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

Adams County January 1, 2021 through December 31, 2021

Board of Commissioners
Adams County
Ritzville, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Adams County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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



Pat McCarthy, State Auditor

Olympia, WA

September 2, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Adams County January 1, 2021 through December 31, 2021

Board of Commissioners
Adams County
Ritzville, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Adams County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Adams County, and its changes in cash and investments, for the year ended December 31, 2021, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Adams County, as of December 31, 2021, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Matter of Emphasis

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. Management's plans in response to this matter are also described in Note 4. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. 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 September 2, 2022 on our consideration of the County's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 2, 2022

FINANCIAL SECTION

Adams County January 1, 2021 through December 31, 2021

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2021
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2021
Notes to the Financial Statements – 2021

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2021
Schedule of Expenditures of Federal Awards – 2021
Notes to the Schedule of Expenditures of Federal Awards – 2021

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021

		Total for All Funds (Memo Only)	001 Current Expense	103 E911
Beginning Cash and Investments				
308	Beginning Cash and Investments	26,523,610	6,935,025	1,169,777
388 / 588	Net Adjustments	6,337	-	-
Revenues				
310	Taxes	10,662,372	6,267,355	655,135
320	Licenses and Permits	209,259	23,832	-
330	Intergovernmental Revenues	15,666,955	2,229,798	429,599
340	Charges for Goods and Services	6,772,675	924,206	24,372
350	Fines and Penalties	681,347	680,468	-
360	Miscellaneous Revenues	1,031,284	462,170	2,975
Total Revenues:		35,023,892	10,587,829	1,112,081
Expenditures				
510	General Government	6,778,495	5,493,376	-
520	Public Safety	4,872,011	3,885,828	833,003
530	Utilities	1,592,627	-	-
540	Transportation	9,398,509	29,772	-
550	Natural/Economic Environment	690,221	207,249	-
560	Social Services	3,301,894	34,498	-
570	Culture and Recreation	258,730	253,011	-
Total Expenditures:		26,892,487	9,903,734	833,003
Excess (Deficiency) Revenues over Expenditures:		8,131,405	684,095	279,078
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	1,956,694	619,833	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	324,480	181,982	-
Total Other Increases in Fund Resources:		2,281,174	801,815	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	4,390,240	183,465	3,715
591-593, 599	Debt Service	442,511	-	-
597	Transfers-Out	1,956,693	1,173,096	-
585	Special or Extraordinary Items	614,777	569,694	45,083
581, 582, 589	Other Uses	195,162	97,537	-
Total Other Decreases in Fund Resources:		7,599,383	2,023,792	48,798
Increase (Decrease) in Cash and Investments:		2,813,196	(537,882)	230,280
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	18,565,024	568,804	1,400,057
50841	Committed	-	-	-
50851	Assigned	6,949,052	1,999,276	-
50891	Unassigned	3,829,066	3,829,066	-
Total Ending Cash and Investments		29,343,142	6,397,146	1,400,057

The accompanying notes are an integral part of this statement.

104 IHCS	105 Criminal Justice	106 Emergency Services	107 Veterans Services	109 Law Library	110 Paths and Trails
2,893,199	1,556,199	22,380	30,854	1,502	167,534
-	-	-	-	-	-
8,214	965,667	-	983	-	-
88,959	-	-	-	-	-
2,986,946	-	45,614	-	-	20,042
62,810	-	-	-	6,070	-
-	-	-	-	-	-
5,682	1,954	-	8	-	-
3,152,611	967,621	45,614	991	6,070	20,042
-	-	-	-	-	-
-	-	61,144	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,025,494	-	-	1,500	-	-
-	-	-	-	2,719	-
3,025,494	-	61,144	1,500	2,719	-
127,117	967,621	(15,530)	(509)	3,351	20,042
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,149	-	-	-	-	-
-	-	-	-	-	-
-	571,442	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,149	571,442	-	-	-	-
100,968	396,179	(15,530)	(509)	3,351	20,042
-	-	-	-	-	-
2,994,166	1,952,377	-	30,345	4,853	187,576
-	-	-	-	-	-
-	-	6,848	-	-	-
-	-	-	-	-	-
2,994,166	1,952,377	6,848	30,345	4,853	187,576

The accompanying notes are an integral part of this statement.

111 Regional Landfill Settlement	112 Building	113 Education Sup	114 Treasurers O & M	115 County Road	116 Auditor's O & M
208,531	-	5,504	2,842	6,245,895	50,192
-	-	-	-	-	-
-	-	-	-	2,128,800	-
-	96,206	-	-	262	-
-	-	-	-	7,397,763	71,151
-	28,221	-	8,153	59,085	9,306
-	-	-	-	-	-
30,184	2,815	-	-	13,645	-
30,184	127,242	-	8,153	9,599,555	80,457
-	-	-	4,051	31,617	41,549
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,962,275	-
-	172,052	-	-	-	-
37,500	-	-	-	-	-
3,000	-	-	-	-	-
40,500	172,052	-	4,051	6,993,892	41,549
(10,316)	(44,810)	-	4,102	2,605,663	38,908
-	-	-	-	-	-
-	566,676	-	-	-	4,096
-	-	-	-	-	-
-	-	-	-	109,402	-
-	566,676	-	-	109,402	4,096
-	-	-	-	3,267,448	4,096
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	94,766	-
-	-	-	-	3,362,214	4,096
(10,316)	521,866	-	4,102	(647,149)	38,908
-	-	-	-	-	-
-	521,867	5,504	6,944	5,598,746	89,100
-	-	-	-	-	-
198,215	-	-	-	-	-
-	-	-	-	-	-
198,215	521,867	5,504	6,944	5,598,746	89,100

The accompanying notes are an integral part of this statement.

117 Developmental Disability	119 Trial Ct Improvement	120 Tourism Enhancement	122 Distressed Co/Pub Facilities	123 Low Income Housing	130 Drug Enforcement
40,472	109,990	7,572	1,138,235	346,572	99,982
-	-	-	-	-	6,337
52,384	-	318	389,546	62,332	-
-	-	-	-	-	-
26	33,980	-	280,073	86,808	-
-	-	-	-	158,165	11,209
-	-	-	-	-	324
-	119	-	1,431	-	448
<u>52,410</u>	<u>34,099</u>	<u>318</u>	<u>671,050</u>	<u>307,305</u>	<u>11,981</u>
-	421	-	-	-	-
-	-	-	-	-	17,861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	130,510	-	-
3,041	-	-	-	199,861	-
-	-	-	-	-	-
<u>3,041</u>	<u>421</u>	<u>-</u>	<u>130,510</u>	<u>199,861</u>	<u>17,861</u>
<u>49,369</u>	<u>33,678</u>	<u>318</u>	<u>540,540</u>	<u>107,444</u>	<u>(5,880)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	13,721
-	-	-	-	-	-
-	-	-	7,768	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,768</u>	<u>-</u>	<u>13,721</u>
49,369	33,678	318	532,772	107,444	(19,601)
-	-	-	-	-	-
89,841	143,668	7,890	1,671,006	454,016	68,601
-	-	-	-	-	-
-	-	-	-	-	18,116
-	-	-	-	-	-
<u>89,841</u>	<u>143,668</u>	<u>7,890</u>	<u>1,671,006</u>	<u>454,016</u>	<u>86,717</u>

The accompanying notes are an integral part of this statement.

131 RSO Addr Verif	133 American Rescue Plan Act	135 Crime Victims Compensation	136 Domestic Violence Prevention	137 Domestic Violence Assessment	166 Noxious Weed
94,892	-	90,085	2,976	9,724	177,007
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
52,131	1,940,732	-	-	-	-
-	-	20,951	148	-	7,817
-	-	-	-	555	-
718	-	-	-	-	234,584
52,849	1,940,732	20,951	148	555	242,401
-	-	-	-	-	-
74,175	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	180,410
-	-	-	-	-	-
-	-	-	-	-	-
74,175	-	-	-	-	180,410
(21,326)	1,940,732	20,951	148	555	61,991
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	171,291	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	171,291	-	-	-	-
(21,326)	1,769,441	20,951	148	555	61,991
-	-	-	-	-	-
73,566	1,769,440	111,035	3,124	10,278	239,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
73,566	1,769,440	111,035	3,124	10,278	239,000

The accompanying notes are an integral part of this statement.

210 Debt Service	301 Rodeo Lake	321 Capital Improvement	322 Capital Projects	323 Real Estate Tech	324 Econ Dev Cap Proj
54	1,615	281,882	88,250	146,544	122,910
-	-	-	-	-	-
-	-	131,638	-	-	-
-	-	-	-	-	-
-	-	-	-	11,506	-
-	-	-	-	2,155	-
-	-	-	-	-	-
-	-	305	77	-	117
-	-	131,943	77	13,661	117
-	-	-	-	-	-
-	-	-	-	-	-
-	2,162	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,162	-	-	-	-
-	(2,162)	131,943	77	13,661	117
-	-	-	-	-	-
168,375	29,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
168,375	29,000	-	-	-	-
-	-	129,742	-	-	-
168,375	-	-	-	-	-
-	-	-	29,000	4,096	-
-	-	-	-	-	-
-	-	-	-	-	-
168,375	-	129,742	29,000	4,096	-
-	26,838	2,201	(28,923)	9,565	117
-	-	-	-	-	-
-	-	284,084	-	156,109	123,027
-	-	-	-	-	-
54	28,453	-	59,327	-	-
-	-	-	-	-	-
54	28,453	284,084	59,327	156,109	123,027

The accompanying notes are an integral part of this statement.

401 Solid Waste	501 Couthouse O & M	502 Central Services	590 Intergov Services
2,436,897	20,418	143,333	1,874,766
-	-	-	-
-	-	-	-
-	-	-	-
80,786	-	-	-
1,767,801	-	550,592	3,131,614
-	-	-	-
152,288	105,444	8,401	7,919
<u>2,000,875</u>	<u>105,444</u>	<u>558,993</u>	<u>3,139,533</u>
-	676,623	529,311	1,547
-	-	-	-
1,590,465	-	-	-
-	-	-	2,406,462
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,590,465</u>	<u>676,623</u>	<u>529,311</u>	<u>2,408,009</u>
<u>410,410</u>	<u>(571,179)</u>	<u>29,682</u>	<u>731,524</u>
-	-	-	-
-	568,714	-	-
-	-	-	-
33,096	-	-	-
<u>33,096</u>	<u>568,714</u>	<u>-</u>	<u>-</u>
21,098	-	62,315	678,491
84,078	-	-	190,058
-	-	-	-
-	-	-	-
2,859	-	-	-
<u>108,035</u>	<u>-</u>	<u>62,315</u>	<u>868,549</u>
335,471	(2,465)	(32,633)	(137,025)
-	-	-	-
-	-	-	-
-	-	-	-
2,772,368	17,953	110,700	1,737,742
-	-	-	-
<u>2,772,368</u>	<u>17,953</u>	<u>110,700</u>	<u>1,737,742</u>

The accompanying notes are an integral part of this statement.

Adams County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021

		Total for All Funds (Memo Only)	Investment Trust	Custodial
308	Beginning Cash and Investments	54,615,122	54,224,274	390,848
388 & 588	Net Adjustments	(12,337)	-	(12,337)
310-390	Additions	129,265,985	114,306,503	14,959,482
510-590	Deductions	129,724,873	114,867,671	14,857,202
	Net Increase (Decrease) in Cash and Investments:	(458,888)	(561,168)	102,280
508	Ending Cash and Investments	54,143,897	53,663,107	480,790

The accompanying notes are an integral part of this statement.

Adams County
Notes to the Financial Statements
For the year ended December 31, 2021

Note 1 – Summary of Significant Accounting Policies

Adams County was incorporated in 1883 and operates under the laws of the state of Washington applicable to a second-class county with a commissioner form of government. The county is a general-purpose local government and provides public safety, road improvement, judicial administration, health and social services and general administrative services. The county also owns and operates a solid waste utility.

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.
- 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 for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

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

Governmental Fund Types:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Proprietary Fund Types:

Enterprise Funds

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

Internal Service Funds

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

Fiduciary Fund Types:

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

Investment Trust Funds

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

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 the 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 \$500 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Non-Association Employees and Sheriff's Association:

Vacation leave may be accumulated during the year. Employees may not carry over more than their allowed maximum hours of accumulated annual leave beyond December 31 of any given year. At no time for purposes of retirement or separation after one year of probation may an employee receive compensation for more than two hundred forty (240) hours of accumulated annual leave.

Courthouse Association, Jail Dispatchers Association & Adams County Public Works Employees Local 1374:

Vacation leave may be accumulated during the year. Employees may not carry over more than their allowed maximum hours of accumulated annual leave beyond December 31 of any given year. At no time for purposes of retirement or separation after one year of probation may an employee receive compensation for more than two hundred forty (288) hours of accumulated annual leave.

Courthouse Association, Jail Dispatchers Association & Non-Association Employees:

Sick leave may be accumulated during the year with a maximum of 960 hours carried into the next year. One –half (1/2) of the accumulated sick leave is payable upon termination, retirement or death employees hired prior to January 1, 1983. Employees hired between January 1, 1983 and November 7, 1988 are paid for one-half (1/2) of their unused sick leave only upon retirement or death. Employees who separate service from the county by way of retirement will be entitled to cash out accrued sick leave above 500 hours at a ratio of (3) hours to one (1) hour for any and all remaining sick leave accrued in compliance with the sick leave article of the Association Contract.

To accommodate the employee's ability to accrue additional annual leave, an employee shall be allowed a two (2) to one (1) conversion of sick leave to annual leave for all accrued sick leave hours in excess of two hundred forty (240). Employees will be limited to converting no more than one hundred and twenty (120) hours of sick leave per calendar year.

Sheriff's Association Employees:

Sick leave may be accumulated during the year with a maximum of 960 hours carried into the next year. Employees hired between Jan 1, 1983 and November 7, 1988 shall be paid for ½ of unused sick leave upon death or retirement. Any regular employee who shall die while employed by the County shall be paid 100% of unused sick leave. Any regular employee who shall retire after 10 years of continuous employment can elect to be paid 25% of unused sick leave.

Adams County Public Works Employees Local 1374:

Sick leave may be accumulated during the year with a maximum of 1,440 hours carried into the next year. Effective January 1, 1992, no employee will receive buy out of their accrued sick leave upon termination of employment by way of retirement or death except as provided in this section. Employees hired prior to January 1, 1992, shall be entitled to payment for fifty (50%) of the sick leave they have accrued and retained prior to January 1, 1992, and up to a maximum cash out of sixty (60) days, and zero percent (0%) of the sick leave they have accrued on or after January 1, 1992 upon termination of employment by way of retirement or death.

To accommodate the employee's ability to accrue additional annual leave, an employee shall be allowed a two (2) hour to one (1) hour conversion of sick leave to annual leave for all accrued sick leave in excess of two hundred forty (240) hours. Employees will be limited to converting no more than one hundred and twenty (120) hours of sick leave per calendar year. Said annual leave, once converted shall be used consistent will all provisions of the contract.

Sick Leave Cash-Out: Employees who separate service from the County by way of retirement will be entitled to cash out accrued sick leave above five hundred (500) hours at a ratio of three (3) hours to one (1) hour for any and all remaining sick leave accrued in compliance with the sick leave article of the contract of Adams County Public Works Employees Local 1374.

Upon separation or retirement, payments made to eligible employees for unused sick leave are recognized as expenditures when paid.

F. Long-Term Debt

See Note 7 – Long-term Debt (*Formerly Debt Service Requirements*)

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are 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 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 funds with resources that have been restricted for use by one or more of the following: Washington State Law and county ordinance(s) of the Board of Adams County Commissioners, grant requirements, and restricted for other purposes.

A total of \$18,565,024 is restricted as of December 31, 2021, as follows:

Restricted per State law - \$12,279,517

Restricted for grants - \$6,237,234

Restricted for other purposes - \$48,273

Note 2 – Budget Compliance

The County adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the current expense fund, where the 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 follows:

Fund number	Fund name	budget	expenditures	ending balance
001	Current Expense			
001/005	Commissioners	397,480	386,277	11,203
001/010	Superior Court	297,674	275,911	21,763
001/015	District Ct. Position #1	426,914	407,918	18,996

001/016	District Ct. Position #2	475,339	446,351	28,988
001/017	Adult Probation	95,697	89,913	5,784
001/020	Board of Equalization	7,300	4,670	2,630
001/023	Auditor	522,534	431,307	91,227
001/025	Clerk	286,903	260,786	26,117
001/030	Treasurer	371,616	339,784	31,832
001/040	Assessor	473,412	451,890	21,522
001/045	Prosecuting Attorney	967,352	838,956	128,396
001/046	Support Enforcement	240,342	217,003	23,339
001/050	Civil Service	2,100	0	2,100
001/055	Human Resources	118,592	107,292	11,300
001/060	Leoff	50,000	36,628	13,372
001/065	Police Ops	2,421,129	2,370,516	50,613
001/070	Care & Custody	1,032,745	794,093	238,652
001/085	Juvenile	569,200	555,683	13,517
001/087	Planning & Building	204,166	152,201	51,965
001/089	GIS	165,280	131,778	33,502
001/090	Coroner	30,000	18,072	11,928
001/095	Agent	164,012	153,107	10,905
001/099	Non Departmental	3,342,570	3,030,205	312,365
0012	Current Expense Reserve	0	0	0
0013	Auditor Grant	207,025	206,584	441
0014	Employee Liability	75,000	0	75,000
0015	Juvenile Detention Alt	10,000	3,108	6,892
0016	Jail Operation and Improvement	39,000	0	39,000
0017	Criminal Justice Reserve	402,000	0	402,000
0018	Sheriff Donation Fund	23,100	20,048	3,052
108	Fair	185,312	107,917	77,395
121	Regional Network	0	0	0
601	Treasurers Trust	0	89,525	-89,525
643	Treasurer's Suspense	0	0	0
Total	Current Exp plus managerial	13,603,794	11,927,523	1,676,271
103	Enhanced 911	814,719	708,184	106,535
103A	E-911 Reserve	320,572	173,616	146,956
104	Integrated Health	3,293,278	3,051,642	241,636
105	Criminal Justice	825,000	448,542	376,458
105A	Criminal Justice Reserve	218,933	122,900	96,033
106	Emergency Management	144,936	61,146	83,790
107	Veterans Relief	11,300	1,500	9,800
109	Law Library	3,000	2,719	281
110	Paths & Trails	45,000	0	45,000
111	Regional Landfill Settlement	240,000	40,500	199,500
112	Building	219,777	172,051	47,726

113	Education Support Programs	1,300	0	1,300
114	Treasurer's O & M	10,500	4,051	6,449
115	County Road	11,602,827	10,356,106	1,246,721
116	Auditor's O & M	47,436	45,645	1,791
117	Developmental Disability	3,100	3,042	58
119	Trial Court Improvement	107,600	421	107,179
120	Tourism Enhancement	7,500	0	7,500
122	Distressed Co/Pub Serv	284,041	138,279	145,762
123	Low Income Housing	259,800	199,861	59,939
130	Drug Enforcement	50,350	31,583	18,767
131	RSO Addr Verif	83,000	74,175	8,825
133	ARPA	200,000	171,291	28,709
135	Crime Victims Comp	0	0	0
136	Domestic Violence Prev	0	0	0
137	Domestic Violence Assm	0	0	0
166	Noxious Weed	249,171	180,411	68,760
210	Debt Service	168,375	168,375	0
301	Rodeo Lake	29,000	2,162	26,838
321	Capital Improvements	275,000	129,742	145,258
322	Capital Projects	89,000	29,000	60,000
323	R/E Technology	5,700	4,096	1,604
324	Econ Dev Cap Proj	50,000	0	50,000
401	Solid Waste	2,254,788	1,698,500	556,288
501	Courthouse O & M	669,451	676,623	-7,172
502	Central Services	620,271	591,626	28,645
590	IGS	3,426,165	3,276,556	149,609

Total County	40,234,684	34,491,868	5,742,816
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Budgeted amounts are authorized to be transferred between object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County's legislative body.

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

Joint Ventures

Martin Hall:

In 1996, the County entered into a joint venture with nine other Washington State counties for the construction and operation of Martin Hall, a juvenile detention facility located in Medical Lake, Washington. Property was leased from the State for 50 years beginning April 19, 1996 and ending March 31, 2046.

By law, adult and juvenile inmates must be separated. Adams County had basically no such capability of providing this type of separation, so were forced to transport any juvenile to another facility in the state that provided juvenile housing. All counties involved in the consortium have representation on the Martin Hall Board. The consortium contracts with a private organization to manage Martin Hall. Anyone who uses Martin Hall beds is charged a per-bed rate, so Adams County not only shares in the bonding of the venture but also contracts for bed usage for its juveniles who are sentenced to Martin Hall by the Superior Court of Adams County. The county was bonded in 1996 for this joint venture. Stevens County, Washington manages the bond payments and can be contacted directly for their financial statements. The final payment on the bond was paid in 2016. In 2021 Adams County paid \$131,130 for bed usage for its juveniles who are sentenced to Martin Hall by the Superior Court of Adams County.

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 COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The Board of Adams County Commissioners adopted County Resolution No. R-019-2020 on March 16, 2020, ordering the closure of county facilities, directing the department heads to reduce staff to essential operating positions and consider options such as telecommuting and working from home so as to limit individual exposure and making similar recommendations to the elected officials of Adams County and to the Courts of Adams County. Subsequent Resolutions were adopted monthly, continuing the county closure.

The Resolution remained in place until Resolution R-044-2020 adopted July 27, 2020, stated the Adams County Board of Commissioners directed department heads to provide business to the public for limited services by appointment only and no longer directed that non-essential employee remain at home, or perform work from home, or operate on reduced hours. The county facilities remained closed to the public with the exception of court services and scheduled appointments with the departments. The orders of this resolution were still in effect on December 31, 2020.

May 19, 2021, The Board of Commissioners adopted Resolution R-028-2021, rescinding Resolution R-047-2020, thereby reopening the county facilities with employee return to work directives remaining.

July 12, 2021, The Adams County Board of Commissioners terminated the state of emergency declared by the Adams County Commissioners on March 16, 2020. Resolution R-036-2021, was adopted, rescinding R-018-2020 and any subsequent resolution(s) or emergency policy enacted pursuant thereto was rescinded in its entirety.

Note 5 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2021 are as follows:

Type of deposit or investment	County's own deposits and investments	Deposits and investments held by the County as custodian for other local governments, individuals, or private organizations	Total
Bank deposits	\$4,054,919	\$12,625,844	\$16,680,763
Certificates of deposit	\$2,531,852		\$2,531,852
Local Government Investment Pool	\$16,507,798	\$28,627,486	\$45,135,284
U.S. Government securities	\$6,248,573	\$12,890,567	\$19,139,140
Total	\$29,343,142	\$54,143,897	\$83,487,039

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.

Note 6 – External Investment Pool

The External Investment Pool sponsored by the County was established in 1986. 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 resources 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 or as determined by the Adams County Treasurer. 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, 2021, 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 resources of any municipal corporation of which the governing body has not taken any action pertaining to the investment of resources 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 \$143,259. 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.

55% of the County Treasurer's Pool consists of these involuntary participants. Voluntary participants in the County Treasurer's Pool include county funds and junior taxing districts. The deposits held for both involuntary and voluntary entities are included in the External Investment Pool which is found in the Investment Trust Fund or Custodial 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 Investment Trust Funds in the amount of \$50,500,682. 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 Investment Trust Funds.

Note 7 – Long-Term Debt

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, 2021.

The debt service requirements for general obligation bonds, notes, and other (non G.O.) debt/liabilities are as follows:

	Principal	Interest	total
2022	213,526.42	37,051.71	250,578.13
2023	221,887.65	26,565.48	248,453.13
2024	235,402.54	15,550.59	250,953.13
2025	160,000.00	4,000.00	164,000.00
	830,816.61	83,167.78	913,984.39

Note 8 – OPEB Plans

The county is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington state Health Care Authority. The plan provides medical, dental and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool

when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The county had 194 active plan members and 12 retired plan members as of December 31, 2021. The county contributed \$1,741,665.80 to the plan for the year ended December 31, 2021. The total OPEB liability to Adams County as of December 31, 2021, was \$7,279,041. The method of measurement used to determine the liability was the alternative measurement method (AMM) provided by the Office of the Washington State Actuary.

The LEOFF 1 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, 2021, the plan had 3 members, all retirees. As of December 31, 2021, the County's total LEOFF 1 OPEB liability was \$1,986,641, as calculated using the alternative measurement method tool provided by the Office of the Washington State Actuary. For the year ended December 31, 2021, the county paid \$36,628.14 in benefits.

Note 9 – 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 Public Employees' Retirement System (PERS), Public Safety Employees' Retirement System (PSERS), and Law Enforcement and Fire Fighters' Retirement System (LEOFF).

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

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

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

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

At June 30, 2021, the County's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$475,533	0.063840%	\$779,636
PERS 2/3	\$696,457	0.073522%	(\$7,323,974)
PSERS 2	\$ 42,444	0.086963%	(\$199,788)
LEOFF 1	\$ 0	0.006581%	(\$225,436)
LEOFF 2	\$65,402	0.032809%	(\$1,905,683)

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 10 - Property Tax

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

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

The County's Current Expense regular levy for the year 2021 was \$1.75079441 per \$1,000 on an assessed valuation of \$2,385,179,541 for a total regular levy of \$4,175,959. This amount is reduced by \$60,510, as the county dedicates portions of the Current Expense tax dollar amount by law to fund #107 Veteran's Relief, Fund #104 Integrated Health Care Services and Fund #117 Developmental Disabilities.

The County Road's regular levy for the year 2021 was \$1.30880929 per \$1,000 on an assessed valuation of \$1,598,293,972 for a total regular levy of \$2,091,862.

Note 11 – Risk Management

Adams 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, 2021, 24 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management, education, and claims administration. The Pool's liability program provides coverage for general liability, public officials liability, police professional liability, employment practices liability, and automobile liability. WCRP provides liability limits of \$20,000,000 and currently retains \$2,000,000 million per occurrence. County deductibles range from \$10,000 to \$500,000. Reinsurance is purchased in several layers up to the policy limits of \$10,000,000. Members may purchase an optional \$5,000,000 excess of \$20,000,000 layer of coverage. Allocated Loss Adjustment Expense (ALAE) is combined with losses for purposes of the Pool retention, excess insurance, and deductibles. For losses occurring in 2021, Adams County selected a per-occurrence deductible of \$10,000.

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 2020-21, the Pool's SIR was \$2,000,000. For certain years

prior to 2019, reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 2018-19, the “corridor” increased the SIR to \$2,000,000, with losses between \$1,000,000 and \$2,000,000 having an annual aggregated stop loss of \$2,500,000. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30,000,000 (lowest reinsured layer), \$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 24 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

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

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

During 2020-21, Adams County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Two members withdrew from the WCRP during the 2020-21 Fiscal Year. Property losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)’ coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Adams County also participates in the jointly purchased cyber risk and security coverage from a highly rated commercial insurer. This group-purchased cyber coverage provides limits of \$2,000,000 per claim and \$10,000,000 in the aggregate. For 2021, the Pool's SIR for cyber claims was \$100,000 from January 1 through September 30 and was \$250,000 from October 1 through December 31, with Adams County having no deductible.

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

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

During 2020-21, the WCRP's assets decreased to \$53,351,913 while its liabilities also decreased to \$27,509,338. The Pool's net position ended at \$26,624,589. 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, 2021 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Note 12 – Other Disclosures

The 2021 Financial Statements included 2 prior period adjustments:

Fund 130 – There is a bank account for this fund in addition to the treasurer's bank which is reported on the C4 (Fund Resources and Uses Arising from Cash Transactions). The ending balance on the 2020 C4 for this fund should have included a deposit in the amount of \$6,337 which was missed on the bank account in 2020. The beginning cash balance for 2021 did not match the Jan 1, 2021 bank statement, which was properly adjusted on the schedule 1 with a prior period adjustment.

Fund 697 Trust Accounts – In December 2020 Umpqua bank in Ritzville was converted to STCU. This is the bank that the superior court clerk's office uses. The bank statement used for the 2020-year end balance was the final Umpqua bank statement sent in December. In 2021 we discovered that this was not the year end bank statement, there was a statement for Dec 31, 2020, which reflected an ending balance which was \$12,337.38 less. A prior period adjustment for 2020 in the amount of (-\$12,337.38) was used to reflect the accurate beginning cash for the 2021 financial statements.

Adams County IHCS 2021 Funding and Interlocal Agreements

- **Mental Health**
 - Mental Health receives State dollars through the Spokane Behavioral Health ASO (SCRBHASO) agreement. The Health Care Authority flows Behavioral Health dollars through the Behavioral Health Organizations around the State. Our Behavioral Health Organization is Spokane ASO. Funding for Mental Health is through the ASO partnership agreement, includes Non-Medicaid, CBHEF Community Behavioral Health Enhancement Funds and Jail Service Dollars. Mental Health also receives local millage dollars, and private client fees.
 - Department of Commerce -COVID Cares dollars
 - Mental Health receives Medicaid dollars through 4 MCO's – Manage Care Organizations. Funding is based on Contract agreements with the MCO's
 - Amerigroup
 - Community Health Plan of Washington (CHPW)
 - Coordinated Care
 - Molina
- **Substance Use Disorder**
 - Substance Abuse Disorder receives State CJTA (Criminal Justice Treatment Account) and Federal Block Grant dollars through the Spokane Behavioral Health ASO (SCRBHASO) agreement. The Health Care Authority flows Behavioral Health dollars through the Behavioral Health Organizations around the State. Our Behavioral Health Organization is Spokane ASO. Funding for Substance Abuse Disorder is through the ASO partnership agreement. SUD also receives private client fees.
 - Substance Use Disorder receives Medicaid dollars through 4 MCO's – Manage Care Organizations. Funding is based on Contract agreements with the MCO's
 - Amerigroup
 - Community Health Plan of Washington (CHPW)
 - Coordinated Care
 - Molina
 - 2% Liquor Excise Tax thru the Adams County
- **Prevention Program** IHCS partners with Health Care Authority for funding. The agreement is thru HCA.

- **Public Health**

- Public Health received funding thru the following Federal and State Agencies
 - HCA- Health Care Authority
 - DOH- Department of Health
 - DOH-Department of Agriculture
 - DOH-Department of Health & Human Services
 - DOH Department of Ecology
 - Spokane Regional Health District -Pass thru Tobacco & Marijuana dollars
 - Medicaid TXIX patient fees billed thru Provider One
- Private patient and consumer fees

Skill Source

Interlocal Cooperation Agreement among Adams, Chelan, Douglas, Grant, and Okanogan Counties to form the Adams, Chelan, Douglas, Grant, and Okanogan Counties Workforce Development Area.

Adams County
Schedule of Liabilities
For the Year Ended December 31, 2021

ID. No. General	Description Obligation Debt/Liabilities	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
251.11	GO Bond	6/1/2025	735,000	-	135,000	600,000
Total General Obligation Debt/Liabilities:			735,000	-	135,000	600,000
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Pension Liabilities		2,975,623	-	2,195,987	779,636
259.12	Compensated Absences		891,290	-	9,300	881,990
263.52	3 Freightliner Trucks	11/15/2021	183,740	-	183,740	-
263.52	Tractor(s) Purchases	8/20/2024	301,129	-	70,312	230,817
264.40	OPEB - Pebb		8,517,894	-	1,238,853	7,279,041
264.40	OPEB - Leoff 1 Retirees		1,887,670	98,971	-	1,986,641
Total Revenue and Other (non G.O.) Debt/Liabilities:			14,757,346	98,971	3,698,192	11,158,125
Total Liabilities:			15,492,346	98,971	3,833,192	11,758,125

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington State Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18235	82,461	-	82,461	-	1, 3
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	CLH18235	317	-	317	-	1,3
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-6221C-101	8,077	-	8,077	-	1, 3
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Washington State Department of Social and Health Services)	Violence Against Women Formula Grants	16.588	F-19-31103-039	27,417	-	27,417	-	1,2,3
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9534 Deal Rd	979	-	979	-	1,3

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9729 Atkinson Rd	1,845	-	1,845	-	1,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9832 Booker Rd	396,514	-	396,514	-	1,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA - 10048 Booker Rd	676,647	-	676,647	-	1,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-10170 Booker Rd	8,372	-	8,372	-	1,3
Total Highway Planning and Construction Cluster:				1,084,357	-	1,084,357	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Traffic Safety Commission)	State and Community Highway Safety	20.600	110	2,847	-	2,847	-	1,3
Total Highway Safety Cluster:				2,847	-	2,847	-	

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

				Expenditures				Passed through to Subrecipients	Note
				CFDA Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington State Department of Health)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18235	29,443	-	29,443	-	29,443	1,3
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington State Department of Health)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18235	17,474	-	17,474	-	17,474	1,3
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington State Department of Health)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18235	79,609	-	79,609	-	79,609	1,3
				Total CFDA 21.019:		126,526	-	126,526	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Adams Co	-	171,291	-	171,291	171,291	1,3
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via Washington Secretary of State)	2018 HAVA Election Security Grants	90.404	IG-6920	87,720	-	87,720	-	87,720	1,3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Public Health Emergency Preparedness	93.069	CLH18235	12,616	-	12,616	-	12,616	1,3

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

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 Washington State Department of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	CLH18235	33,520	-	33,520	-	1,3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	CLH18235	6,631	-	6,631	-	1,3
Total CFDA 93.268:				40,151	-	40,151	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH18235	346,071	-	346,071	-	1,3
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Division of Child Support)	Child Support Enforcement	93.563	75-1501-0-1- 609	129,200	-	129,200	-	1,2,3
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Division of Child Support)	Child Support Enforcement	93.563	2110-80335	11,417	-	11,417	-	1,2,3
Total CFDA 93.563:				140,617	-	140,617	-	

Medicaid Cluster

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	Medical Assistance Program	93.778	K2734	9,233	-	9,233	1, 3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	Medical Assistance Program	93.778	K3057	18,259	-	18,259	1, 2, 3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	COVID 19 - Medical Assistance Program	93.778	Provider 1/Covid 19	10,159	-	10,159	1, 3
Total Medicaid Cluster:				37,651	-	37,651	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Spokane ASO)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	19ASO2295	20,000	-	20,000	1, 3
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	K3902	43,720	-	43,720	1, 3
Total CFDA 93.959:				63,720	-	63,720	

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

	Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
					From Pass- Through Awards	From Direct Awards	Total		
	HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18235	26,691	-	26,691	-	1,3
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military)	Hazard Mitigation Grant	97.039	D20-004	907	-	907	-	1,3
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military)	Emergency Management Performance Grants	97.042	E21-129	7,675	-	7,675	-	1,3
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military)	Emergency Management Performance Grants	97.042	E22-151	5,401	-	5,401	-	1,3
			Total CFDA 97.042:		13,076	-	13,076	-	
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Spokane County Emergency Management)	Homeland Security Grant Program	97.067	E20-066 GSEM -1911	6,146	-	6,146	-	1,3
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Homeland Security Grant Program	97.067	E21-188	36,300	-	36,300	-	1,3

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

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 97.067:	42,446	-	42,446	-	
			Total Federal Awards Expended:	2,143,668	171,291	2,314,959	-	

The accompanying notes are an integral part of this schedule.

Adams County

MCAG 0091

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note 1 – Basis of Accounting

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

Note 2 – Federal De Minimis Indirect Cost Rate

The county has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Costs

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

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.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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