



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Lincoln County

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

Published September 29, 2022

Report No. 1031201



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

September 29, 2022

Board of Commissioners
Lincoln County
Davenport, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Lincoln 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

Lincoln County January 1, 2021 through December 31, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Lincoln 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 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 findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

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

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Finding 2021-001.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Lincoln County January 1, 2021 through December 31, 2021

2021-001 The County's internal controls were inadequate for ensuring compliance with federal procurement requirements.

CFDA Number and Title:	20.205 – Highway Planning and Construction Grant
Federal Grantor Name:	U.S. Department of Transportation, Federal Highway Administration
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	Washington State Department of Transportation
Pass-through Award/Contract Number:	G-1034, G1035, G-1036, G-1037, J01708
Questioned Cost Amount:	\$0

Description of Condition

During fiscal year 2021, the County spent \$2,676,424 in Highway Planning and Construction grant funds. The program's objective is to provide funds for the planning, design, construction, and rehabilitation of highways and bridge transportation systems.

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

Federal regulations also require recipients to follow their own documented procurement procedures, which must conform to the Uniform Guidance procurement standards found in 2 CFR § 200.318-327. The procedures must reflect the most restrictive of applicable federal requirements, state laws or local policies. When using federal funds to procure goods and services, governments must apply the more restrictive requirements by obtaining quotes or following a competitive procurement process, depending on the estimated cost of the procurement activity.

Although the County has a written procurement policy, it does not conform to the most restrictive methods and thresholds for competitively procuring public works projects.

We consider this control deficiency to be a material weakness.

This issue was not reported as a finding in the prior audit.

Cause of Condition

County employees said they did not know about the requirement to update the County's written policies and procedures to conform to federal procurement standards and to include all elements required in federal regulations.

Effect of Condition

Although the County's policies did not conform to Uniform Guidance, our testing found the County complied with federal requirements for competitive solicitation of the Porcupine Bay Road Landslide and Harrington Tokio Road public works projects. However, without updated written procurement policies, the County is at greater risk of noncompliance with the most restrictive procedures when procuring contractors paid all or in part with federal funds.

Recommendation

We recommend the County update its written procurement policies and procedures to conform to Uniform Guidance for all procurement activities.

County's Response

Lincoln County has currently been using the LAG (Local Agency Guidelines) manual which provides policies and standards for local agencies to follow when using Federal Highway Administration funds. Lincoln County was also following MRSC's County Bidding Book for Washington State. We are currently updating the Lincoln County Procurement Policy; which will incorporate these policies into a County Specific policy.

Lincoln County was not aware of the change to the Code of Federal Regulations (CFR). Furthermore, the fact that the County did not have a specific policy in place, did not result in any loss of public funds or harm the public in any way.

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

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303 – Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, section 318, General procurement standards, establishes requirements for written procedures.

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*

Lincoln County January 1, 2021 through December 31, 2021

Board of Commissioners
Lincoln County
Davenport, 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 Lincoln 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 26, 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.

In addition, we noted certain matters that we have reported to the management of the County in a separate letter dated September 26, 2022.

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 26, 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

Lincoln County January 1, 2021 through December 31, 2021

Board of Commissioners
Lincoln County
Davenport, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Lincoln 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2021-001 to be a material weakness.

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.

County's Response to Findings

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Lincoln County **January 1, 2021 through December 31, 2021**

Board of Commissioners
Lincoln County
Davenport, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Lincoln 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 Lincoln 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 Lincoln 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.

Matters of Emphasis

As discussed in Note 10 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 10. 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 an opinion 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 26, 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, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2022

FINANCIAL SECTION

Lincoln 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 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

Lincoln 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	101 Elections	102 Public Health
Beginning Cash and Investments					
308	Beginning Cash and Investments	10,605,271	2,823,170	185,207	705,396
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	7,277,348	3,655,831	11,157	3,023
320	Licenses and Permits	322,716	202,006	-	105,110
330	Intergovernmental Revenues	13,131,171	1,952,335	1,558	1,046,981
340	Charges for Goods and Services	6,801,573	1,849,523	25,905	64,146
350	Fines and Penalties	343,577	343,011	-	-
360	Miscellaneous Revenues	865,535	227,558	177	761
Total Revenues:		28,741,920	8,230,264	38,797	1,220,021
Expenditures					
510	General Government	6,722,648	4,476,696	43,171	-
520	Public Safety	3,980,534	3,065,909	-	-
530	Utilities	769,897	-	-	-
540	Transportation	10,755,557	-	-	-
550	Natural/Economic Environment	503,699	162,933	-	-
560	Social Services	1,360,372	20,423	-	877,404
570	Culture and Recreation	408,994	114,165	-	-
Total Expenditures:		24,501,701	7,840,126	43,171	877,404
Excess (Deficiency) Revenues over Expenditures:		4,240,219	390,138	(4,374)	342,617
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	10,387	-	-	-
397	Transfers-In	929,006	626,841	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,046,843	190,093	-	-
Total Other Increases in Fund Resources:		1,986,236	816,934	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,825,777	235,608	33,376	10,352
591-593, 599	Debt Service	266,905	3,691	-	-
597	Transfers-Out	929,007	100,430	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	726,567	672,583	-	-
Total Other Decreases in Fund Resources:		4,748,256	1,012,312	33,376	10,352
Increase (Decrease) in Cash and Investments:		1,478,199	194,760	(37,750)	332,265
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	3,986,558	210,976	-	-
50841	Committed	-	-	-	-
50851	Assigned	5,289,971	-	147,456	1,037,663
50891	Unassigned	2,806,965	2,806,965	-	-
Total Ending Cash and Investments		12,083,494	3,017,941	147,456	1,037,663

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

		103 Counseling Serv	105 County Fair	106 Veteran's Assist	107 County Road
Beginning Cash and Investments					
308	Beginning Cash and Investments	237	53,651	21,632	1,901,342
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	42,668	-	10,086	1,872,759
320	Licenses and Permits	-	-	-	15,600
330	Intergovernmental Revenues	55	2,766	4	7,843,941
340	Charges for Goods and Services	-	31,101	-	48,743
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	237,159	9	82,388
Total Revenues:		42,723	271,026	10,099	9,863,431
Expenditures					
510	General Government	-	-	-	161,019
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	8,267,867
550	Natural/Economic Environment	-	-	-	-
560	Social Services	39,520	-	750	-
570	Culture and Recreation	-	279,919	-	-
Total Expenditures:		39,520	279,919	750	8,428,886
Excess (Deficiency) Revenues over Expenditures:		3,203	(8,893)	9,349	1,434,545
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	44,516	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	4,692	-	3,784
Total Other Increases in Fund Resources:		-	49,208	-	3,784
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	22,313	-	1,490,889
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	240,885
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	850	-	-
Total Other Decreases in Fund Resources:		-	23,163	-	1,731,774
Increase (Decrease) in Cash and Investments:		3,203	17,152	9,349	(293,445)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	30,981	-
50841	Committed	-	-	-	-
50851	Assigned	3,440	70,803	-	1,607,901
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		3,440	70,803	30,981	1,607,901

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

		108 Treasurer's M&O	109 Auditor's M&O	111 Coronavirus Fiscal	113 Alcohol/Drug
Beginning Cash and Investments					
308	Beginning Cash and Investments	35,149	96,690	-	99,926
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	2,948
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	68,021	1,062,387	377,843
340	Charges for Goods and Services	11,775	15,637	-	5,292
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	30	57	-	384
Total Revenues:		11,805	83,715	1,062,387	386,467
Expenditures					
510	General Government	15,647	12,336	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	422,275
570	Culture and Recreation	-	-	-	-
Total Expenditures:		15,647	12,336	-	422,275
Excess (Deficiency) Revenues over Expenditures:		(3,842)	71,379	1,062,387	(35,808)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	29,321	-	3,777
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	29,321	-	3,777
Increase (Decrease) in Cash and Investments:		(3,842)	42,058	1,062,387	(39,585)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	31,308	138,749	1,062,387	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	60,341
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		31,308	138,749	1,062,387	60,341

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

		114 Affordable Housing	115 Law Library	117 LC Tourism	118 REET Technology
Beginning Cash and Investments					
308	Beginning Cash and Investments	27,932	69,353	36,657	109,071
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	25,811	-	14,243	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	11,002
340	Charges for Goods and Services	26,735	37,263	-	3,265
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	6,000	79
Total Revenues:		52,546	37,263	20,243	14,346
Expenditures					
510	General Government	-	-	-	4,168
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	6,435	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	4,616	-	-
Total Expenditures:		-	4,616	6,435	4,168
Excess (Deficiency) Revenues over Expenditures:		52,546	32,647	13,808	10,178
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	27,910	39,341	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		27,910	39,341	-	-
Increase (Decrease) in Cash and Investments:		24,636	(6,694)	13,808	10,178
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	52,568	-	50,465	119,250
50841	Committed	-	-	-	-
50851	Assigned	-	62,659	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		52,568	62,659	50,465	119,250

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

		119 Trial Court Imp	122 Homeless Housing	124 Crime Victims	125 Traffic Policing
Beginning Cash and Investments					
308	Beginning Cash and Investments	12,834	309,544	153,611	27,613
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	508,815
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	29,643	-	16,097	798
340	Charges for Goods and Services	-	171,265	15,477	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		29,643	171,265	31,574	509,613
Expenditures					
510	General Government	22,252	-	67,987	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		22,252	-	67,987	-
Excess (Deficiency) Revenues over Expenditures:		7,391	171,265	(36,413)	509,613
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	16,764	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		16,764	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	4,421	50,000	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	499,117
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		4,421	50,000	-	499,117
Increase (Decrease) in Cash and Investments:		19,734	121,265	(36,413)	10,496
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	16,284	430,809	117,199	38,109
50841	Committed	-	-	-	-
50851	Assigned	16,284	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		32,568	430,809	117,199	38,109

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

		129 Marine Enforce	131 Sex Offender Reg	132 Enhanced 911	133 Emergency Comm
Beginning Cash and Investments					
308	Beginning Cash and Investments	37,667	90,949	97,265	194,752
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	107,020	212,531
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	32,403	23,000	545,854	14,280
340	Charges for Goods and Services	-	320	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	99	4,778
Total Revenues:		32,403	23,320	652,973	231,589
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	16,110	5,660	595,032	165,169
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		16,110	5,660	595,032	165,169
Excess (Deficiency) Revenues over Expenditures:		16,293	17,660	57,941	66,420
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	3,838
Total Other Increases in Fund Resources:		-	-	-	3,838
Other Decreases in Fund Resources					
594-595	Capital Expenditures	294	6,350	-	653
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	10,000	-	-
Total Other Decreases in Fund Resources:		294	16,350	-	653
Increase (Decrease) in Cash and Investments:		15,999	1,310	57,941	69,605
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	53,668	-	155,207	264,357
50841	Committed	-	-	-	-
50851	Assigned	-	92,259	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		53,668	92,259	155,207	264,357

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

		134 Dom Violence	136 Public Defense	150 Weed Board	151 Court Facilitator
Beginning Cash and Investments					
308	Beginning Cash and Investments	52,577	20,843	58,036	39,812
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	20,100	-	-
340	Charges for Goods and Services	11,377	-	-	41,800
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	271,891	-
Total Revenues:		11,377	20,100	271,891	41,800
Expenditures					
510	General Government	-	8,010	-	51,426
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	231,831	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	8,010	231,831	51,426
Excess (Deficiency) Revenues over Expenditures:		11,377	12,090	40,060	(9,626)
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	-	-	4,830	-
Total Other Increases in Fund Resources:		-	-	4,830	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	18,513	-
591-593, 599	Debt Service	-	-	871	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	21,402	-
Total Other Decreases in Fund Resources:		-	-	40,786	-
Increase (Decrease) in Cash and Investments:		11,377	12,090	4,104	(9,626)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	63,954	32,933	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	62,139	30,186
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		63,954	32,933	62,139	30,186

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

		160 Public Safety	170 LC Tourism- Spec	207 LTGO Bond	265 Consolidated RID
Beginning Cash and Investments					
308	Beginning Cash and Investments	335,383	8,861	-	10,364
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	358,475	21,159	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	566
360	Miscellaneous Revenues	-	-	-	3,040
Total Revenues:		358,475	21,159	-	3,606
Expenditures					
510	General Government	62,455	-	-	-
520	Public Safety	132,654	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		195,109	-	-	-
Excess (Deficiency) Revenues over Expenditures:		163,366	21,159	-	3,606
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	240,885	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	240,885	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	60,901	-	-	-
591-593, 599	Debt Service	-	-	240,885	12,412
597	Transfers-Out	-	-	-	1,559
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		60,901	-	240,885	13,971
Increase (Decrease) in Cash and Investments:		102,465	21,159	-	(10,365)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	437,849	30,021	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		437,849	30,021	-	-

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

		305 Capital Improve	315 Rural Co Dev	405 Professional Bldg	410 Solid Waste
Beginning Cash and Investments					
308	Beginning Cash and Investments	296,497	192,831	448	114,692
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	238,567	192,255	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	82,103
340	Charges for Goods and Services	-	-	-	645,917
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	70	5,000	10,000	13,929
Total Revenues:		238,637	197,255	10,000	741,949
Expenditures					
510	General Government	7,184	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	769,897
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	102,500	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	10,294	-
Total Expenditures:		7,184	102,500	10,294	769,897
Excess (Deficiency) Revenues over Expenditures:		231,453	94,755	(294)	(27,948)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	10,387	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	37,500	-	13,594
Total Other Increases in Fund Resources:		10,387	37,500	-	13,594
Other Decreases in Fund Resources					
594-595	Capital Expenditures	117,877	-	-	3,780
591-593, 599	Debt Service	9,046	-	-	-
597	Transfers-Out	-	87,016	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	21,732
Total Other Decreases in Fund Resources:		126,923	87,016	-	25,512
Increase (Decrease) in Cash and Investments:		114,917	45,239	(294)	(39,866)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	411,414	238,070	-	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	154	74,826
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		411,414	238,070	154	74,826

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

		510 Equip Rental & Rev	520 Pits & Quarries	540 Employee Self-Ins
Beginning Cash and Investments				
308	Beginning Cash and Investments	1,312,673	647,293	425,313
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	2,298,326	424,068	1,073,638
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	1,704	422	-
Total Revenues:		2,300,030	424,490	1,073,638
Expenditures				
510	General Government	-	-	1,790,297
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	1,686,016	801,674	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		1,686,016	801,674	1,790,297
Excess (Deficiency) Revenues over Expenditures:		614,014	(377,184)	(716,659)
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	22,698	-	765,814
Total Other Increases in Fund Resources:		22,698	-	765,814
Other Decreases in Fund Resources				
594-595	Capital Expenditures	670,101	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		670,101	-	-
Increase (Decrease) in Cash and Investments:		(33,389)	(377,184)	49,155
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	-	-	-
50841	Committed	-	-	-
50851	Assigned	1,279,285	270,107	474,468
50891	Unassigned	-	-	-
Total Ending Cash and Investments		1,279,285	270,107	474,468

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial	External Investment Pool Fund
308	Beginning Cash and Investments	46,021,699	5,517	10,063,601	35,952,581
388 & 588	Net Adjustments	-	-	-	-
310-390	Additions	103,023,049	-	103,023,049	-
510-590	Deductions	102,212,165	5,165	101,148,082	1,058,918
	Net Increase (Decrease) in Cash and Investments:	810,884	(5,165)	1,874,967	(1,058,918)
508	Ending Cash and Investments	46,832,581	352	11,938,566	34,893,663

The accompanying notes are an integral part of this statement.

LINCOLN COUNTY, WASHINGTON
NOTES TO FINANCIAL STATEMENTS

January 1, 2021 through December 31, 2021

Note 1 – Summary of Significant Accounting Policies

Lincoln County was incorporated on December 18, 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 government and provides public safety, fire protection, road improvement, park and recreation, judicial administration, and health and social services. The County uses single entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

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 (see Notes to 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 for propriety and fiduciary funds are presented using the classifications that are different from the ending net position classifications in GAAP.

A. **Fund Accounting**

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

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of the County. 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 County.

Debt Service Funds

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

Capital 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 County on a cost-reimbursement basis.

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

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.

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 #3, Deposits and Investments.

It is the County's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the Current Expense Fund.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$100 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 30 days and is payable upon separation or retirement.

Sick leave may be accumulated up to 1200 hours. Upon separation or retirement, employees do receive payment for unused sick leave. Unused sick leave is payable upon termination after 5 years of service up to 480 hours or one-half of accumulated balance, whichever is less.

Payments are recognized as expenditures when paid.

The County's liability (including OASI and PERS 1 Retirement) for accumulated unused vacation leave on December 31, 2021 was \$622,084.57, for accumulated unused sick leave was \$473,208.37 and for Public Works accumulated unused comp time was \$8,771.24 for a total of \$1,104,064.18.

F. Long-Term Debt

See Note # 6, Long Term Debt.

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 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:

	2021
Veteran's Assistance	\$ 30,980
Treasurer's M&O	\$ 31,307
Auditor's M&O	\$ 138,748
Coronavirus Fiscal State & Local	\$ 1,062,387
Affordable Housing	\$ 52,568
Davenport Special Reserve	\$ 94,955
Lincoln County Tourism	\$ 50,465
REET Technology	\$ 119,249
Trial Court Improvement	\$ 16,284
Homeless Housing	\$ 430,809
Criminal Anti-Profitteering	\$ 2,455
Crime Victims	\$ 117,198
Traffic Policing	\$ 38,109
Marine Enforcement	\$ 53,668
Enhanced 911	\$ 155,207
Emergency Communications	\$ 264,357
Domestic Violence	\$ 63,954
Public Defense	\$ 32,933
 Housing Rehab Project	 \$ 48,395
Wilbur Special Reserve	\$ 65,171
Public Safety	\$ 437,849
LC Tourism - Special	\$ 30,020
Capital Improvements	\$ 411,414
Rural County Development	\$ 238,070
 TOTAL RESERVED FUNDS	 \$ 3,986,552

Note 2 – Budget Compliance

The County adopts annual appropriated budgets all funds. These budgets are appropriated at the fund level (except in 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 follows:

2021 BUDGET APPROPRIATIONS

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Assessor	359,281	337,231	22,050
Auditor	454,368	447,739	6,629
Board of Equalization	1,569	556	1,013
Civil Service	2,748	1,495	1,253
Clerk	275,915	268,840	7,075
Commissioners	516,748	496,773	19,975
Planning	182,441	165,331	17,110
Cooperative Extension	121,307	106,632	14,675
Coop Ext-Bulletin	250	-	250
Coroner	20,423	20,423	0
Courthouse	380,640	372,587	8,053
Data Processing	348,200	341,936	6,264
Information Services	305,639	291,443	14,196
E911 Computer Access Dispatch	20,000	20,000	-
District Court	394,765	342,167	52,598
Probation	87,005	85,199	1,806
Jail	1,025,099	890,140	134,959
Juvenile Services	173,258	156,744	16,514
Consolidated Juv Serv	53,631	50,311	3,320
CJAA	3,000	786	2,214
Community Litter Cleanup	-	-	-
BECCA Bill Grant	18,001	14,618	3,383
Non-Departmental	642,459	642,458	1
Prosecuting Attorney	537,516	453,151	84,365
Stop Grant - Prosecuting Attorney	15,432	12,243	3,189
Sheriff Administration	572,396	561,083	11,313
Sheriff Operations	1,226,086	1,010,011	216,075
Stop Grant - Sheriff	20,390	1,447	18,943
Marijuana Eradication	93	-	93
Davenport Law Enforcement	315,000	301,319	13,681
Wilbur Law Enforcement	180,000	171,524	8,476
Superior Court	238,546	157,974	80,572
Treasurer	372,445	357,506	14,939
Welfare	700	-	700
Other Financing Uses	119,500	100,430	19,070
Non Expenditures	245	91	154
Special Funded Services	610,000	602,819	7,181
Davenport Special Reserve Fund	60,000	-	60,000
Youth Programs	18,000	7,223	10,777
Education & Grant Fund	15,376	309	15,067
Criminal Antiprofitteering	2,454	-	2,454
Drug Enforcement	12,334	1,631	10,703
Seized/Forfeited Property	4,156	1,172	2,984

DARE	3,626	710	2,916
Unemployment Insurance	17,400	5,558	11,842
Housing Rehab Project	10,350	-	10,350
Wilbur Special Reserve	60,000	52,819	7,181
Total General Fund	9,798,792	8,852,432	946,360
			-
Election	76,548	76,548	0
Public Health	1,413,723	887,754	525,969
Counseling Services	43,000	39,520	3,480
County Fair	303,082	303,082	0
Veterans Assistance	10,000	750	9,250
County Road	11,363,311	10,160,657	1,202,654
Treasurer's M&O	20,091	15,647	4,444
Auditor's M&O	42,990	41,657	1,333
Alcohol/Drug Services	426,052	426,051	1
Affordable Housing Trust	27,911	27,910	1
Law Library	45,549	43,957	1,592
Lincoln County Tourism	25,000	6,435	18,565
REET Technology Fund	16,000	4,168	11,832
Trial Court Improvement	41,519	26,672	14,847
Homeless Housing	200,000	50,000	150,000
Crime Victims	95,696	67,987	27,709
Traffic Policing	501,000	499,117	1,884
Marine Enforcement/Education	20,967	16,403	4,564
Sex Offender Registration	23,998	22,010	1,988
Enhanced 911	595,032	595,031	1
Emergency Communications	284,486	165,822	118,664
Domestic Violence Prevention	10,000	-	10,000
Public Defense Service	19,621	8,010	11,611
Noxious Weed Control Board	292,845	272,617	20,228
Court Facilitator	72,076	51,426	20,650
Public Safety	302,633	256,009	46,624
LC Tourism - Special	10,000	-	10,000
Lincoln County LTGO Bond	240,885	240,885	-
Consolidated RID No. 09-01 Bond	13,970	13,970	-
Capital Improvements	279,322	134,107	145,215
Rural County Development	217,500	189,516	27,984
Professional Building Fund	10,294	10,294	0
Solid Waste Management	795,409	795,409	0
Equipment Rental & Revolving	2,528,250	2,356,117	172,133
Pits & Quarries	801,675	801,675	0
Employee Self-Insurance	1,790,297	1,790,297	0
Foreclosure Surplus	5,165	5,165	0
	32,764,689	29,255,102	3,509,586

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

Note 3 – Deposits and Investments

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

Type of Investment	Lincoln County's own deposits and investments	Deposits and investments held by Lincoln County as a custodian for other Local governments, individuals or private organizations	Total
Bank Deposits	\$4,750	\$7,764,965	\$7,769,715
L.G.I.P.	\$1,901,376	\$34,893,663	\$36,795,039
L.G.I.P. - residual cash	\$5,686,120	\$4,173,957	\$9,860,077
US Government Securities	\$4,491,248	\$0	\$4,491,248
Other: MMA	\$0	\$0	\$0
Total	\$12,083,494	\$46,832,585	\$58,916,079

It is the County's policy to invest all temporary cash surpluses. The interest on these investments is posted to the Current Expense Fund. The amount of this interest for 2021 is \$20,542.47 per the County Treasurer.

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.

Lincoln County does not have any Custodial Credit Risk.

Note 4 – Property Tax

The County Treasurer acts as an agent to collect property tax levied in the County for all taxing authorities. Collections are distributed after 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.

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against the properties.
March 15	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

The County may levy up to \$1.80 per \$1,000 on assessed valuation for general governmental services, subject to two limitations:

- a. Washington State Law in RCW 84.55.010 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increased by more than 6 percent due to revaluation, the levy rate will be decreased.
- b. The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

The County's regular levy for 2021 was \$1.4361712 per \$1,000 on assessed valuation of \$1,644,771,201 for a total regular levy of \$2,362,173.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in the unincorporated areas for road construction and maintenance. This levy is subject to the limitations of the levy for general governmental services. The County's road levy for 2021 of \$1.7282563 per \$1,000 on assessed valuation of \$1,355,086,033 totaled \$2,341,936. The levy was split between the County Road fund at \$1.3592761 per thousand of the assessed valuation in the amount of \$1,841,936; and the Traffic Policing fund at \$0.3689803 per thousand in the amount of \$500,000.

Note 5 – Interfund Loans

The following table displays interfund loan activity during 2021.

Borrowing	Lending	Balance	New		Balance
Fund	Fund	1/1/2021	Loans	Repayments	12/31/2021
Current Expense	Special Funded Svc	103,317	53,119	132,406.00	24,030
Weed Board	Special Funded Svc	33,190	-	21,328	11,862
Employee Self Ins	Special Funded Svc	-	550,000	-	550,000
TOTALS		136,507	603,119	153,734	585,892

The Special Funded Services fund is a special revenue fund that is rolled up into the Current Expense fund for reporting purposes as it does not meet the 20% reserved ending cash and investments rule in the BARS manual.

Note 6 - Long-Term Debt

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County's debt transactions for the year ended December 31, 2021. The PW Trust Fund Loan is ongoing until the project is complete; therefore, not included in the figures below. The 2021 ending balance for the PW Trust Fund loan per the Schedule 9 is \$123,996.

The debt service requirements for general obligation bonds, revenue bonds and long-term general obligation bond (maintenance facility) are as follows:

	Principal	Interest	Total
2022	102,239	138,646	240,885
2023	105,689	135,196	240,885
2024	109,256	131,629	240,885
2025	112,944	127,941	240,885
2026	116,755	124,130	240,885
2027-2031	645,612	558,813	1,204,425
2032-2036	762,166	442,259	1,204,425
2037-2041	899,761	304,664	1,204,425
2042-2046	1,062,196	142,229	1,204,425
2047-2051	191,425	6,460	197,885
	<hr/>		
	4,108,042	2,111,968	6,220,010

The Deer Meadows and Deer Heights RID loan was originally a bond anticipation note. It was used for the Public Works department to initiate the RID process to construct the county roads before the bond is assessed. The RID's were finalized in March and February respectively, payment period ending May 11, 2009. The two RID's were combined to create the Consolidated RID in 2009. The bond anticipation note was paid off and the assessment bond was issued based on the remaining balance of the RID. The total amount of assessment was \$1,754,971.20. The amount prepaid was \$662,639.31. The remaining amount of unpaid assessments was \$1,092,331.89. The payment is made through assessment charges to property owners within the district. See accompanying Schedule 9, Schedule for Long Term Debt for additional information. Principal and Interest are determined at year end by the bank. According to Schedule 9, the ending balance as of December 31, 2021 is \$0.00.

On May 1, 2015, Lincoln County signed a Limited Tax General Obligation Bond Anticipation Note (BAN Note). The monies borrowed were used for the construction of a Public Works maintenance facility. The note indicates a one-time payment of principal, due April 18, 2018. This note was paid early on April 18, 2017. Interest will be paid on semi-annual basis due May 1 and November 1.

On April 19, 2017, Lincoln County signed a Limited Tax General Obligation Bond with USDA for a 30 year loan for the Public Works maintenance facility. Interest and principal will be paid annually. The first payment will be in April 2018 and continue through April 2047.

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all County's 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 (PERS, LEOFF or PSERS).

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 Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

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

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

At June 30, 2021 (the measurement date of the plans), the Lincoln County proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities (Schedule 09), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	352,716	.047351	578,267
PERS 2/3	499,142	.052693	(5,249,071)
PSERS 2	70,689	.144832	(332,736)
LEOFF 1	N/A	.006510	(223,004)
LEOFF 2	62,108	.031156	(1,809,669)

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 8 - Risk Management

The County is a member of Washington Rural Counties Insurance Program (WRCIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization 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 program was formed on September 1, 1998, when three counties in the state of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of November 30, 2021, membership includes 10 members in the program.**

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection, and Liability: including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires reinsurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of \$45,000,000 with a **self-insured retention (SIR) of \$250,000**. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the **\$250,000 SIR**. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the **\$250,000 SIR**, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$1,779,592** which is fully funded in its annual budget.

Property insurance is subject to a per occurrence **SIR of \$250,000**. Members are responsible for a \$1,000 to \$10,000 per occurrence deductible. The program bears the **\$250,000 SIR**, in addition to the deductible.

Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500 (\$5,000 for sewer plants). Members are responsible for the full deductible amount of each claim. There is no program SIR on this coverage.

Cyber liability insurance is subject to a per-occurrence **SIR of \$50,000**. Members are responsible for a \$10,000 deductible for each claim, while the program is responsible for the remaining **\$40,000 SIR**.

Members contract to remain in the program for a minimum of one year and must give notice prior to December 31 before terminating participation the following December 1. The Interlocal Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program is funded by its member participants and has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the policy year ending **December 1, 2021, were \$1,209,829.64**.

The program is governed by a **ten-member board of directors** elected by each member's designated voting representative. It is felt the individual counties are best able to select their own representatives to manage their insurance association.

The County is a direct reimbursable entity with the Employment Security Department for unemployment.

The Unemployment Insurance fund is responsible for collecting interfund payments from insured funds and departments for reimbursement of claims paid to the Employment Security Department. The estimated liability for unemployment charges, based upon the previous year's charges is approximately \$215.00.

According to Resolution # 11-05, Lincoln County implemented a Self-Insurance Program for employee medical insurance. The resolution was signed during the January 24, 2011 meeting with an effective date of February 1, 2011. EMSpring is the broker of record for Lincoln County's health insurance program. RCW 48.62.031 provides local governments the authority to contract with third parties to provide risk management, claims and administrative service. Current Lincoln County fund balances are adequate to fully fund all reserve accounts for a self-funded program.

Claims Liability – Beginning of Year - \$0.00
Claims Incurred during the year - \$1,380,713
Payments on Claims - \$1,380,713
Claims Liability – End of Year - \$0.00

All claims are billed to Lincoln County on a weekly basis and we process the claims at each Board of County Commissioners meeting. Therefore, at the end of the year, we do not have any known outstanding claims. There are additional expenditures of \$385,129 from the Employee Self-Insurance Fund for Professional Services (not related to claims).

Note 9 – Other Postemployment Benefits

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the County as required by RCW 41.26.150. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. For the year ended December 31, 2021, the plan had 5 retirees and the County contributed \$24,525.71 in premium payments. The County paid \$13,507.99 in actual expenditures for the calendar year 2021. The total OPEB liability was \$2,727,094 at December 31, 2021 using the alternative measurement method (Office of the State Actuary).

Note 10 – 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 County proactively implemented safety measures, and operations have continued with staff working in the office. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. The County has remained economically stable and continues to adapt to the changing conditions.

The length of time these measures will continue to be in place, and the full extent of the direct or indirect financial impact on the county is unknown at this time.

Note 11 – External Investment Pool - Cash

The External Investment Pool sponsored by the County was established in 2020. Revised Code of Washington (RCW) 36.29.022, 36.29.010, 36.29.020, authorized 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 or 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 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 \$20,542.47. 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 by statute.

Based on the residual invested with the State Pool and TVI as of December 31, 2021, 28.0593% of the County Treasurer's Pool consists of these involuntary participants. Voluntary participants in the County Treasurer's Pool include Cemetery Districts, Fire Districts, Public Utility District, Park & Recreation Districts, Hospital Districts, School Districts, and other County funds such as Elections, Public Health, Veteran's

Assistance, Public Works, Treasurer's M&O, REET, Council of Governments and Martin Hall. The deposits held for both involuntary and voluntary entities are included in the Investment Trust Fund and External Investment Pool – 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 Individual Investment Trust Fund in the amount of \$34,893,663.00. 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 12 – Other Disclosures

Other Financing Sources or Uses

The County's "Other Financing Sources or Uses" consist of Operating Transfers In, Operating Transfers Out, Interfund Loan Interest and Disposition of Fixed Assets. Operating Transfers:

<u>Transfers Out</u>		<u>Transfers In</u>	
Current Expense	\$100,430	Current Expense	\$543,175
County Roads	\$240,885	County Fair	\$44,516
Traffic Policing	\$499,117	Davenport Special Reserve	\$37,841
Consolidated RID 0901	\$1,558	Trial Court Improvement	\$16,764
Public Safety	\$0	Wilbur Special Reserve	\$45,824
Rural Co Development	\$87,016	LC LTGO Bond	\$240,885
TOTAL OUT	\$929,005	TOTAL IN	\$929,005

Pending Legal Matters

Bid Process for Asphalt Project

On August 6, 2013, Lincoln County awarded a bid for an asphalt project in Lincoln County to Specialty Asphalt of Spokane, WA. Thereafter, it was discovered that the bid proposal sent out by Lincoln County stated mistakenly that no bid bond or performance bond was required. RCW 39.08.101 requires a contractor to obtain a performance bond on a public works contract. Lincoln County then requested that Specialty Asphalt obtain a performance bond in order that the process comply with state law. Specialty Asphalt obtained an attorney and has refused or has been unable to obtain a performance bond. Threatening letters were received from Specialty Asphalt's attorneys. Specialty Asphalt filed a complaint for injunctive relief against Lincoln County. Lincoln County answered and subsequently filed a motion for summary judgment. Thereafter, Specialty Asphalt filed a motion to amend its Complaint by adding causes of action for negligence and gender discrimination. At that point, Lincoln County reconveyed the claim to its insurance carrier, Canfield, who has substituted in as counsel and is defending this matter under a reservation of rights. Litigation continues in this matter. The Superior Court granted summary judgment in favor of Lincoln County. (all claims were dismissed). Plaintiff appealed that ruling to the Court of Appeals (Division III). That court affirmed the lower court ruling. Plaintiffs appealed the case to the Washington Supreme Court. The Supreme Court reversed the lower court as to gender discrimination and misrepresentation. This matter proceeded to a jury trial in August 2021.

The jury found in favor of Lincoln County on all matters. Lincoln County agreed not to pursue legal fees against the Plaintiff, in exchange for Plaintiff's agreement not to pursue their Appellate rights. The matter was dismissed with prejudice on 17 September, 2021.

Unlawful Labor Practice Complaints

On or about September 29, 2016, Teamsters Local 690 filed two separate unfair practice complaints (one for commissioned employees and one non-commissioned employees) alleging that by passing resolution 16-22 (a resolution indicating that Lincoln County Commissioners intended to conduct union contract negotiations in open public meetings) constituted a refusal to bargain, discriminated and retaliated against union employees and violated the collected bargaining agreements. The public employment relations commission ruled that those ULP's failed to state any claims upon which public employment relations commission could decide the issue. The ULP's were denied by the public employment relations commission (PERC). Thereafter, one initial negotiation was held with Teamsters Local 690 pertaining to contract negotiation. (in open meeting). At the second scheduled meeting, an Attorney for the Teamsters appeared at the meeting and demanded that the meetings not be held in public. Lincoln County Commissioners informed this Attorney that, pursuant to the resolution, all meetings will be held in open meeting. Thereafter, the Teamsters refused to continue to bargain and left the meeting. At that point, the decision was made that Lincoln County would file its own unfair labor practice complaint (one for commissioned officers and one for non-commissioned officers). Those ULP's were filed with PERC. At the same time, Teamsters Local 690 filed its own ULP alleging refusal to bargain. Thereafter, PERC responded that Lincoln County's ULP's did state a claim and gave notice to Teamsters Local 690 to file its answer. With respect to Teamsters Local 690's ULP, PERC again dismissed any portion pertaining to negotiations to be held in open meeting and maintained a portion of their cause of action as to Lincoln County's alleged refusal to bargain. This matter is currently in litigation. A PERC hearing was held in September, 2017. Briefing was completed in November, 2017. The PERC hearing examiner found that both parties had refused to bargain (Unfair Labor Practice). Both parties have appealed to the full PERC Board. The full PERC Board upheld the hearing examiner. Both parties have appealed the PERC ruling. The Lincoln County Superior Court issued an order upholding the PERC ruling. Both sides appealed and briefed the issue to Division 3 of the Court of Appeals. The Division 3 Court of Appeals issued an opinion on 3 November, 2020, holding that both parties committed ULPs, but the PERC Board erred in crafting its remedy. Both parties filed briefs seeking discretionary review by the Washington State Supreme Court. The Washington Supreme Court denied to exercise review. On 16 September, 2021, PERC entered a new decision ordering both parties to bargain in good faith, to not condition bargaining on non-mandatory subjects, to post notices of PERC's decision in conspicuous places and to read the contents of those notices into their regular meeting minutes. Both parties have declined to appeal PERC's most decision. On 8 March, 2022, PERC determined both parties had satisfactorily complied with PERC requirements and the matter has been closed. Agreeable collective bargaining agreements (CBA) between the parties were reached, through open bargaining sessions. In March, 2022, the CBAs was signed by both parties and is presently being put into effect.

Unlawful Labor Practice Complaints # 2

On or about November 21, 2019, Teamsters Local 690 filed an unlawful labor practice alleging that Lincoln County failed to bargain with it when Lincoln County determined that its medical plan did not include non-prescription sunglasses under its vision plan. A settlement was reached on 15 January, 2021, and emailed to PERC. This settlement is likely to be incorporated into the collective bargaining agreement currently being negotiated between the parties.

Estate of Frye v. Lincoln County, et al

On June 3, 2020, the Estate of Trenton Frye filed a Notice of Claim with Lincoln County alleging negligent actions by the county (police officers) were a proximate cause of claimant's death and that Lincoln County was reckless by failing to order an autopsy.

On August 21, 2020, a Complaint against Lincoln County alleging as above-noted. Defense of this matter was handled by Lincoln County's insurer.

A Motion for Summary Judgment, as to Lincoln County, was filed and granted on 26 March, 2021. Town of Wilbur Fire/EMS, as well as the commercial vehicle driver/transport company, are still parties to pending litigation.

Opioids Litigation

In 2019 Lincoln County opted into a national opioid litigation against many pharmaceutical companies being brought on behalf of many state and local agencies by the Seattle law firm of Keller, Rohrbach. This matter is currently being managed in the U.S. Court of Appeals for the Sixth Circuit, with some defendants having declared bankruptcy. Keller, Rohrbach is engaging in ongoing settlement efforts and no trial date is scheduled for Lincoln County at this time. A proposed resolution, is currently being voted on by the claimants.

Election Errors and Public Records Request Litigation

In September of 2021, the Lincoln County Auditor's Office received a request for public records seeking various records relating to ballots cast in the 2020 general election. Included in this request was a request for the actual ballots cast. The Auditor's Office is presently reviewing the majority of the request but has denied the request for actual ballots, citing applicable case law. On October 4, 2021, the Washington Election Integrity Coalition United (WEiCU) filed a complaint in Lincoln County Superior Court, seeking an order of the court to release the ballots for a forensic audit. The complaint alleges various errors, negligence and wrongful acts on behalf of the former Lincoln County Auditor, as well as failure to comply with the Public Records Act. The matter was referred to external legal counsel, Keating, Bucklin & McCormack. On February 14, 2022, the Court granted a motion to intervene, filed by the Washington State Democratic Party. Lincoln County has filed its answer to the complaint. On 25 February, 2022, Lincoln County filed a motion to dismiss the action, justified on multiple bases; the dismissal motion is scheduled to be heard on 25 March, 2022.

Other Disclosures – Contingencies and Litigations

The Washington State Office of Public Defense disbursed public defense grant funds to assist Lincoln County with Blake defense work (State vs. Blake, 481 P.3d 521 (2021)). We have received the first of two installments, per the election of funds indicated in the grant application for Lincoln County (\$3,000). The second installment was disbursed in early 2022 (\$2,133).

Other Disclosures – Special Revenue Funds

Special Revenue Funds – Lincoln County has several Special Revenue funds set up for accounting for specific revenue sources. However, the BARS manual states a substantial portion of the inflows must be at least 20 percent of restricted or committed revenues to create the special revenue fund. Lincoln County would like to keep those funds separated in our financial system, but some have been combined with Current Expense for reporting purposes. Each year, the funds are re-evaluated and some funds may be included with Current Expense one year but qualifies to stand on their own for the next year.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LTGO Bond	4/18/2047	4,206,943	-	98,901	4,108,042
263.87	PW Trust Fund Loan	4/12/2039	120,656	10,387	7,047	123,996
Total General Obligation Debt/Liabilities:			4,327,599	10,387	105,948	4,232,038
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		1,063,100	40,964	-	1,104,064
264.30	Net Pension Liability		2,358,114	-	1,779,847	578,267
264.40	OPEB Liability		2,641,792	85,302	-	2,727,094
Total Revenue and Other (non G.O.) Debt/Liabilities:			6,063,006	126,266	1,779,847	4,409,425
Assessment Debt/Liabilities (with commitments)						
253.11	CRID 09-01 Bond	6/1/2021	11,745	-	11,745	-
Total Assessment Debt/Liabilities (with commitments):			11,745	-	11,745	-
Total Liabilities:			10,402,350	136,653	1,897,540	8,641,463

Lincoln 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 Wa State Dept of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18252	52,544	-	52,544	-	2
		10.557	CLH18252	3,680	-	3,680	-	2
			Total CFDA 10.557:	56,224	-	56,224	-	
Child Nutrition Cluster								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Wa State Dept of Health)	Summer Food Service Program for Children	10.559	20200402	348	-	348	-	
		Total Child Nutrition Cluster:			348	-	348	-
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-6221C-117	7,272	-	7,272	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	21-31101-520	32,195	-	32,195	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Crime Victim Assistance	16.575	22-31101-520	30,157	-	30,157	-	
			Total CFDA 16.575:	62,352	-	62,352	-	

Lincoln 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		
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-056	1,920	-	1,920	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-055	12,769	-	12,769	-	
Total CFDA 16.588:				14,689	-	14,689	-	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Dept of Transportation)	Highway Planning and Construction	20.205	G-1034	9,864	-	9,864	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Dept of Transportation)	Highway Planning and Construction	20.205	G-1035	11,615	-	11,615	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Dept of Transportation)	Highway Planning and Construction	20.205	G-1036	990,049	-	990,049	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Dept of Transportation)	Highway Planning and Construction	20.205	G-1037	1,135,245	-	1,135,245	-	

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Expenditures					Passed through to Subrecipients	Note
	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Dept of Transportation)	Highway Planning and Construction	20.205	J01708 Porcupine Land	529,651	-	529,651	-
Total Highway Planning and Construction Cluster:						2,676,424	-
Highway Safety Cluster							
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Association of Sheriffs & Police Chiefs)	State and Community Highway Safety	20.600	Letter	1,000	-	1,000	-
Total Highway Safety Cluster:						1,000	-
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Military Dept)	E-911 Grant Program	20.615	E20-187	14,280	-	14,280	-
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	CLH18252	4,579	-	4,579	-
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via Office of the Sec of State)	COVID 19 - 2018 HAVA Election Security Grants	90.404	CG075-18	11,009	-	11,009	-
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Public Health Emergency Preparedness	93.069	CLH18252	19,885	-	19,885	-
							2

The accompanying notes are an integral part of this schedule.

Lincoln 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 DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	CLH18252	24,059	-	24,059	-
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	CLH18252	27,797	-	27,797	2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Immunization Cooperative Agreements	93.268	CLH18252	571	-	571	2
Total CFDA 93.268:				28,368	-	28,368	-
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH18252	27,630	-	27,630	-
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH18252	52,007	-	52,007	-
Total CFDA 93.323:				79,637	-	79,637	-

Lincoln 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 WA State Dept of Health)	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CLH18252	68,572	-	68,572	-	2
	ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Child Support Enforcement	93.563	2110-80330	138,610	-	138,610	-	2
Medicaid Cluster									
	CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Medical Assistance Program	93.778	10231-203770	131,220	-	131,220	-	
	CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Medical Assistance Program	93.778	10231-203770	64,940	-	64,940	-	
	CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Medical Assistance Program	93.778	1021515284	25,442	-	25,442	-	
Total Medicaid Cluster:					221,602	-	221,602	-	

The accompanying notes are an integral part of this schedule.

Lincoln 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		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	K3926	1,050	-	1,050	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	K3926	99,004	-	99,004	-	
Total CFDA 93.959:				100,054	-	100,054	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18252	28,716	-	28,716	-	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Parks & Recreation)	Boating Safety Financial Assistance	97.012	3320FAS20015 3	10,356	-	10,356	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	E21-148	27,896	-	27,896	-	
Total Federal Awards Expended:				3,595,932	-	3,595,932	-	

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For 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 of accounting.

NOTE 2 – FEDERAL DE MINIMIS INDIRECT COST RATE

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

The amount expended may include an indirect cost recovery amount using an approved indirect cost rate of 21.58% (as approved by the Lincoln County Board of County Commissioners on December 7, 2020). For 2021, Public Health uses an indirect cost rate of 33.82%.

NOTE 3 – NONCASH AWARDS – VACCINATIONS

The amount of vaccine reported on the schedule is the value of vaccine and syringes distributed by the County during the current year and priced as prescribed by the Department of Health. Lincoln County is no longer vaccinating clients except for Covid-19 vaccinations.

NOTE 4 – PROGRAM COSTS

The amounts shown as current year expenditures represent only federal grant portions 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 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.



**BOARD OF
LINCOLN COUNTY COMMISSIONERS**
PO Box 28 • DAVENPORT, WA 99122
(509) 725-3031 • (509) 725-2034 FAX

Regular Meetings First & Third Monday of Each Month

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Lincoln County
January 1, 2021 through December 31, 2021

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: 2021-001	Finding caption: The County's internal controls were inadequate for ensuring compliance with federal procurement requirements.
Name, address, and telephone of County contact person: Chandra Schumacher, County Auditor Lincoln County 450 Logan Street Davenport, WA 99122-0028	
Corrective action the auditee plans to take in response to the finding: <i>Lincoln County has currently been using the LAG (Local Agency Guidelines) manual which provides policies and standards for local agencies to follow when using Federal Highway Administration funds. Lincoln County was also following MRSC's County Bidding Book for Washington State. We are currently updating the Lincoln County Procurement Policy; which will incorporate these policies into a County Specific policy.</i> <i>Lincoln County was not aware of the change to the Code of Federal Regulations (CFR). Furthermore, the fact that the County did not have a specific policy in place, did not result in any loss of public funds or harm the public in any way.</i>	
Anticipated date to complete the corrective action: 12/31/2022	

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.

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