

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 05/04/2021	PREPARED BY: Tom Westerman
Meeting Date Requested: 05/11/2021	PRESENTED BY: Keith Johnson
ITEM: (Select One) <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Brought Before the Board Time needed:	
SUBJECT: Increase the 2020 HAPO CENTER'S Reconciled Year End Cash Basis Fund Balance to \$500,000 from \$200,000 due to 2020 CARES Act Grant Funding Received for being a COVID-19 Test Site	
FISCAL IMPACT: \$150,000, which represents Franklin County's potential refund (to Current Expense, RV Park, and Capital Outlay ¼% Fund) for 2020 subsidies that were not used for cash flow due to the CARES Act funding. The remaining \$3,306.88 will be retained by HAPO as prepaid 2021 subsidy, split evenly between the City of Pasco and the County. There would be a corresponding \$150,000 fiscal impact to the City of Pasco. Alternately, the Fiscal Impact could be considered \$0 if you consider that the 2020 subsidies were utilized as planned, are a sunk cost, and the \$300,000 increase in fund balance was due to the receipt of CARES Act funds.	
BACKGROUND: Resolution 2006-578 affirmed the annual year end reconciled fund balance for The HAPO Center at \$200,000. Shortages are made up equally by the City of Pasco and Franklin County. During 2020, the COVID-19 pandemic created extraordinary events whereby The HAPO Center was closed for normal business for the majority of the year, greatly reducing revenues and expenditures. The Washington State National Guard took advantage of HAPO's location, and ability to provide a large amount of space for the Guard to administer COVID-19 tests. To compensate The HAPO Center, the Washington State Department of Commerce provided HAPO with a total of \$505,373.78 worth of CARES Act Grant revenues. Since HAPO had this extraordinary, one-time financial event, The HAPO Center's General Manager would like to take advantage of the grant fund revenues and retain the extra \$300,000 in the fund balance, as well as changing the annual reconciled amount going forward to \$500,000. After 2020, increasing the annual ending reconciled fund balance to \$500,000 will not have an effect on annual subsidy requirements.	
RECOMMENDATION: Approve the resolution	
COORDINATION: Tom French, HAPO Center General Manager, Tom Westerman, Director of Finance, Tim Anderson, Accounting Supervisor, Keith Johnson, County Administrator. The Resolution is supported by each of them.	

ATTACHMENTS: ASR/Resolution, Resolution 2006-578, 2020 HAPO Center reconciled ending fund balance calculation, 2020 CARES Act Funding reconciliation

HANDLING / ROUTING: (Once document is fully executed it will be imported into Document Manager. Please list name(s) of parties that will need a pdf)

Shirley Jones, County Administration; Tom French, HAPO General Manager, Tom Westerman, Director of Finance, Auditor's Office

I certify the above information is accurate and complete.



Keith Johnson, Administrator

FRANKLIN COUNTY RESOLUTION NO. _____

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

***2020 INCREASE TO THE HAPO CENTER'S RECONCILED YEAR END FUND BALANCE
IN THE AMOUNT OF \$300,000 TO \$500,000, DUE TO 2020 CARES ACT GRANT FUNDING
RECEIVED FOR BEING A COVID-19 TEST SITE***

WHEREAS, due to the pandemic, the HAPO Center was closed for business during most of 2020, but was used as a COVID-19 testing site by the Washington State National Guard. Consequently, The Washington State Department of Commerce used CARES Act grant funding to compensate The HAPO Center \$505,373.78, \$1,061.65 for Personal Protective Equipment, and \$504,312.13 for use of the Facility.

WHEREAS, during 2020 there was a combination of unexpected revenues from CARES Act Funding, reduced expenditures from eliminating events, and \$490,000 combined budgeted subsidy from the City of Pasco and Franklin County. Therefore, at year end The HAPO Center's reconciled fund balance was \$303,306.88 over the historical reconciled fund balance of \$200,000 as affirmed per Resolution 2006-578; and

WHEREAS, The HAPO Center's General Manager deems it in the best interest of the County to use this opportunity to increase the annual reconciled fund balance to \$500,000, in lieu of returning \$300,000 in equal shares back to Franklin County and the City of Pasco, with no future budgetary impacts.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners hereby approve The HAPO Center retaining the \$300,000 in extra fund balance at the end of 2020, and going forward the new annual end of year reconciled fund balance shall be \$500,000, with any shortages being covered in equal parts by Franklin County and the City of Pasco, and any overages will either be returned, or retained and treated as pre-paid subsidy for the following year as determined by the County Administrator.

APPROVED this 11th day of May, 2021

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

Chair

Chair Pro Tem

Member

Attest:

Clerk to the Board

FRANKLIN COUNTY RESOLUTION NO. 2006-578

**BEFORE THE BOARD OF COUNTY COMMISSIONERS, FRANKLIN COUNTY,
WASHINGTON**

**RE: INTER BUDGET TRANSFER OF \$200,000 FROM THE CURRENT EXPENSE
NON-DEPARTMENTAL BUDGET, NUMBER 001-000-700, CUMULATIVE
RESERVE (RAINY DAY) LINE ITEM TO THE MISCELLANEOUS EXPENSE
TRAC BUDGET, NUMBER 404-000-001**

WHEREAS, the Franklin County Board of Commissioners desire to transfer \$200,000 from the Current Expense Non-Departmental Budget, Number 001-000-700, Cumulative Reserve - Rainy Day line item to the Miscellaneous Expense TRAC Budget to help elevate seasonal cash flow issues by creating a reserve fund balance; and

WHEREAS, the reserve fund balance will be set aside in an investment fund; and

WHEREAS, TRAC will notify the Treasurer's office when a transfer is needed;

WHEREAS, the \$200,000 reserve fund balance shall be fully replenished by the end of each year; and

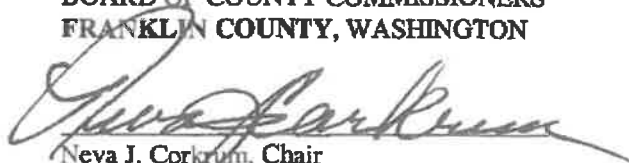
WHEREAS, when TRAC receives subsidy payments from Franklin County or the City of Pasco, they must separate the debt service portion and place it in an investment fund until it is time for the bond payment to be made; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and believes this to be in the best interest of the County;

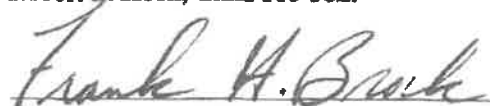
NOW, THEREFORE, BE IT RESOLVED the Franklin County Board of Commissioners hereby approves an inter budget transfer in the amount of \$200,000 from the Current Expense Non-Departmental Budget, Number 001-000-700, line item 519.90.10.0100 (Cumulative Reserve - Rainy Day) and directs the Treasurer's office to transfer the funds through line item 597.00.00.0000 (Operating Transfer Out) to the Miscellaneous Expense TRAC Budget, Number 404-000-001, line item 397.00.00.0000 (Revenue-in) for the creation of a reserve fund balance and directs the Auditor's office to make the appropriate accounting adjustments.

APPROVED this 29th day of November 2006.

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**


Neva J. Corkrum, Chair


Robert E. Koch, Chair Pro Tem


Frank H. Brock, Member

Attest:


Clerk to the Board

Originals: Auditor - Accounting Department

cc: Treasurer - TRAC - County Administrator

**The Hapo Center
2020 Ending Fund Balance - 3/19/2021
Balance Sheet @ 12/31/2020**

Current Assets	<u>2020</u>
Cash and Equivalents	
Cash in Treasury	\$ 591,476.09
Subtotal Cash and Equivalents	591,476.09
Other Assets	
Insurance	8,240.00
Change in 1430000 Prepayments	(41,908.58)
Accrued Revenues & Receipts Received for 2020 in 2021	
2020 Revenues & Receipts Received in 2021 (Non-Subsidy)	2,385.41
2020 Closeout Subsidy Receivable/(Payable)-City of Pasco	(151,653.44)
2020 Closeout Subsidy Receivable/(Payable)-Franklin County	(151,653.44)
Subtotal Accrued Revenues	(300,921.47)
Subtotal - Assets	<u>256,886.04</u>
Less: Current Liabilities	
Vouchers Payable (2020 Exps paid January/February 2021)	(31,936.35)
Wages & Benefits Payable (2020 Exp paid in January 2021)	(24,949.69)
Subtotal - Vouchers & S&B Payable	(56,886.04)
Subtotal - Liabilities	<u>(56,886.04)</u>
Ending Fund Balance	<u>\$ 200,000.00</u>

**The Hapo Center
2020 Ending Fund Balance - Final Calculation
Beginning Fund Balance + Revenues - Expenses = Fund Balance**

	<u>2020</u>		
Beginning Fund Balance/Operating- January	\$ -		
Beginning Fund Balance/Reserved- January	200,000.00		
Total Fund Balance - January 1, 2020	<u>200,000.00</u>		
		Current Accrued & Received Total	Total Subsidies With new Accruals
Revenues & Receipts - Treasurer Cash Basis			
2020 City of Pasco Subsidy Payments	245,000.00	245,000.00	93,346.56
2020 Franklin County Subsidy Payments	245,000.00	245,000.00	93,346.56
Miscellaneous 2020 Revenues (net of subsidies)	1,217,185.44	0.00	
Non-Revenue Sales Tax Collections to Remit to WA ST	14,808.89		
Subtotal: Grand Total All Receipts Collected by Treasurer	<u>1,721,994.33</u>		
Concrete Flooring Rev/Exp Non-Cash Adjustment (in 36240001)	(20,000.00)		
Subtotal - 2020 FY Revenues before Subsidy Receivable	<u>1,701,994.33</u>		
2020 Subsidy Accounts Payable			
2020 Excess Subsidy Receivable/(Payable)-City of Pasco	(151,653.44)		
2020 Excess Subsidy Receivable/(Payable)-Franklin County	(151,653.44)		
Subtotal Additional Subsidies Receivable/(Payable)	<u>(303,306.88)</u>		
Total Inflows Including Accruals and Beginning Fund Balance	<u>1,598,687.45</u>		
Expenditures and Other Outflows			
Pension Expense	(90,295.00)		
Interest Conv Ctr (only the portion attributable to concrete flooring liability)	11,344.93		
Total 2020 Expenses, Transfers Out to Debt Service & Sales Taxes	(1,319,737.38)		
Subtotal Expenditure & Other Outflows	<u>(1,398,687.45)</u>		
2020 Ending Fund Balance-Calculated	<u>\$ 200,000.00</u>		
Variance	-		

Ending fund balance before subsidy accounts payable was \$503,306.88. This is a "surplus" over the \$200,000 scheduled ending fund balance, which results in \$151,653.44 owed to both Franklin County and the City of Pasco.

Form 19-1A Reconciliation - All Funds

Date	Invoice Number	Dollar Amount		Reimbursing?	Recon- ciled (Y,N)	Have 19-1a	Notes
		Involved					
8/19/2020	315701	50,455.24	COVID Exps		Y	X	PPE, Etc.
9/1/2020	316123	110,031.25	HAPO		Y	X	Nat'l Guard Testing
10/15/2020	317495	56,590.00	HAPO		Y	X	Nat'l Guard Testing
Oct-20	319017	36,109.08	COVID Exps		Y	X	PPE, Etc.
Oct-20	319017	608.26	HAPO PPE		Y	X	PPE
11/3/2020	319107	2,174,958.37	Business Grants & FC Admin		Y	X	1st submission. Invoice Inc. \$600K per res 2020-227
11/6/2020	319436	59,867.94	HAPO		Y	X	Nat'l Guard Testing
11/12/2020	319701	77,660.88	COVID Exps		Y	X	PPE, Etc.
11/12/2020	319701	453.39	HAPO PPE		Y	X	PPE
11/30/2020	320583	1,929,255.26	Business Grants & FC Admin		Y	X	2nd submission
11/30/2020	320590	500,000.00	Childcare Providers		Y	X	
11/30/2020	320593	481,028.04	PUD Utility Grants		Y	X	
11/30/2020	320588	59,968.71	HAPO		Y	X	Nat'l Guard Testing
11/30/2020	320604	439,605.00	Business Grants & FC Admin		Y	X	Contract 21-0021-236 (separate from other invoices)
12/1/2020	320678	137,548.23	COVID Exps		Y	X	PPE, Etc.
12/1/2020	320687	1,205,888.62	Personnel Salary/Benefits		Y	X	Need backup detail
12/1/2020	320687	224,576.73	HAPO		Y	X	HAPO Personnel Costs
12/1/2020	320687	(2,722.50)	HAPO		Y	X	Adj resemb to Current Expense from HAPO - I/F Payable
12/1/2020	320687	2,722.50	Personnel Salary/Benefits		Y	X	Adj amount billed as HAPO Sals/Benes that was from CE - I/F Receivable
1/15/2021	323257		Final Invoice		NA	X	\$0 remaining Award
	Total Invoiced	7,540,605.00					

Summary	Reconciliation of Corona Relief Fund Budget and Amount Invoiced to Dept of Commerce & AOC
COVID PPE Etc.	\$ 301,773.43
HAPO	504,312.13
HAPO PPE	1,061.65
Subtotal HAPO	505,373.78
Business Grants & FC Admin	4,543,818.63
Childcare Providers	500,000.00
PUD Utility Grants	481,028.04
FC Personnel/Salary & Benefits	1,208,611.12
Grand Total Dept of Commerce	\$ 7,540,605.00

Note* Elections and Superior Court Received Separately CARES Act Grants

Summary	Reconciliation of Corona Relief Fund Budget and Amount Invoiced to Dept of Commerce & AOC
Exp through the 103801 Covid Relief Funds Budget	5,646,084.89
Less: PW payments not billed to Dept of Commerce	(9,983.75)
Adjusted 103801 Covid Relief Fund Budget - Billable	5,636,101.14
Amount Billed to Dept of Commerce & AOC	7,540,605.00
Variance to reconcile	(1,904,503.86)
Partial claim of COVID Related Personnel Hrs, INV #320687	1,208,611.12
HAPO Claims (Nat'l Guard, Sals/Benefits)	504,312.13
Expenditures made from Other Depts/Funds (from above less 103801)	191,580.61
Variance - Public Works Exp not billed from 10801 to Commerce	(0.00)

The other \$9,993.59 was an adjustment