

SUBRECIPIENT AGREEMENT BETWEEN

KITSAP COUNTY AND KITSAP COMMUNITY RESOURCES

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is made between Kitsap County, a Washington state political subdivision (“County”) and Kitsap Community Resources, a Washington non-profit corporation (“Subrecipient”).

RECITALS

WHEREAS, the County is a recipient of certain Coronavirus Local Fiscal Recovery Funds (“ARPA Funds”) which are to be disseminated and used in compliance with section 602(c) and 603(c) of the Social Security Act (“Act”), as added by section 9901 of the American Rescue Plan Act (“ARPA”), the U.S. Department of Treasury regulations implementing that section and the guidance issued by the U.S. Department of Treasury published in the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule: Frequently Asked Questions issued January 2022, all collectively referred to herein as “ARPA Rules”.

WHEREAS, the Subrecipient has submitted a written request to the County for ARPA Funds to be used for the authorized purpose identified in the Scope of Work.

WHEREAS, the parties desire to execute this Agreement to address the respective requirements of each for the receipt and use of the ARPA Funds.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and the terms and conditions set forth below, the parties agree as follows:

SECTION 1. TERM

- 1.1 The Agreement will become effective on July 1, 2023, and terminate on December 31, 2024, subject to available funding, unless terminated or extended as provided herein. In no event will the Agreement become effective unless and until it is approved and executed by the duly authorized representative of Kitsap County.

SECTION 2. SUBRECIPIENT SCOPE OF WORK

- 2.1 Subrecipient. For purposes of this Agreement, a Subrecipient means a non-Federal entity that receives a subaward from Kitsap County, a pass-through entity, to carry out part of a Federal Program; but does not include an individual that is a beneficiary of such program. 45 CFR § 75.2
- 2.2 Scope of Work. The Subrecipient accepts receipts of ARPA Funds and agrees to complete the “Project” as described in Attachment B (Scope of Work).

- 2.3 Changes in Scope of Work. No change(s) shall be made to the Scope of Work except by written amendment to the Agreement.
- 2.4 Subrecipient Capacity. Subrecipient agrees and confirms that it has the institutional, managerial, and financial capacity to ensure proper planning, management, and completion of the Project as provided herein.

SECTION 3. COMPENSATION AND PAYMENT

- 3.1 Compensation. Subject to the terms, covenants, and conditions of this Agreement, the County will pass through to the Subrecipient the amount of ARPA Funds not to exceed the amount identified on the Face Sheet box 8 to be used as provided herein.
- 3.2 Scope of Eligible Expenditures, No Supplanting. Subrecipient agrees to utilize ARPA Funds available under this Agreement only to reimburse for eligible expenditures and as provided in this Agreement. No funds may be used to reimburse expenditures reimbursed under any other federal or state program, or from any other third-party source. Wrongful expenditure of the funds will constitute a breach of this Agreement and the County shall have the right to terminate this Agreement under the terms and conditions specified herein.
- 3.3 Reimbursement for Travel. Subrecipient will not be reimbursed for travel that is not identified in the attached Scope of Work, without the prior written consent of the County. To be reimbursable under this agreement, travel costs must be incurred pursuant to both the cost principles found in 2 CFR 200.475 – Travel Costs, as well as the Subrecipient’s own established travel policy, a copy of which must be provided to the County.
- 3.4 Invoice. Subrecipient will submit a monthly invoice to the County, no later than the 15th day following the end of each month, as identified below, for reimbursement of expenses incurred during the reporting period. Subrecipient will use the Reimbursement Request Form provided by the County and submit for reimbursement in the form and manner requested by the County. Subrecipient will notify the County prior to the due date if they will not be submitting for reimbursement because no expenses were incurred in the prior month. The County shall endeavor to make payment not more than 30 days after a complete and accurate invoice is received.

FOR MONTH ENDING	REIMBURSEMENT REQUEST DUE
January 31	February 15
February 28/29	March 15
March 31	April 15
April 30	May 15
May 31	June 15
June 30	July 15
July 31	August 15
August 31	September 15
September 30	October 15
October 31	November 15

November 30	December 15
December 31	January 15

- 3.5 Subrecipient Certification. By signing this Agreement, the Subrecipient certifies that it understands that this Agreement is funded in whole or in part with ARPA Funds and subject to all ARPA Rules, and other laws, rules, and regulations normally associated with federally funded programs and any other requirements of law for receipt and use of ARPA Funds and Subrecipient agrees to comply with the same.
- 3.6 No Advance Payment. No advance payments shall be made for any products or services furnished by the Subrecipient pursuant to this Agreement.
- 3.7 Overpayments. Subrecipient promptly shall refund to County the full amount of any erroneous payment or overpayment. Such refunds shall occur within thirty days of discovery of such an error.
- 3.8 Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458 may not be paid with funding from this award.

SECTION 4. PERFORMANCE MONITORING

- 4.1 The County will monitor the performance of the Subrecipient. Monitoring which shall include without limitation tracking project performance, reviewing payment requests for applicable costs, managing the timely pass-through of ARPA Funds, overseeing compliance with ARPA Rules and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable time after being notified by the County, contract suspension or termination procedures will be initiated.

SECTION 5. ADMINISTRATIVE AND REPORTING REQUIREMENTS

- 5.1 Quarterly Performance Report. Subrecipient shall provide the County with a quarterly performance report by the last day of the month following the end of the quarter as identified below.

FOR CALENDAR QUARTER ENDING	QUARTERLY PERFORMANCE REPORT DUE
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

- 5.2 Close-Out Report. Subrecipient is responsible for the close out of the ARPA Funds. Subrecipient's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, without limitation: making

final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), completing the final reimbursement request, and determining the custodianship of records. The Subrecipient shall submit the Close-Out Report within sixty (60) days of completion of the project or March 1st, 2025, whichever occurs first.

- 5.3 Accounting. Subrecipient shall comply with the requirements and standards of Office of Management and Budget (OMB) and guidance in subparts A through F of 2 C.F.R part 200 and shall adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred. Subrecipient's financial management system shall include, at a minimum, accurate, current, and complete disclosures of expenditures of ARPA Funds; records which adequately identify the source and application of ARPA Funds provided for financially assisted activities; effective control over and accountability for ARPA Funds, real and personal property, and other assets; comparison of actual outlays with budgeted amounts; and records supported by source documentation. Subrecipient shall comply with applicable Federal regulations for administrative requirements, cost principles, and audits; and maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are: Financial Managements, Procurement, Personnel, Property, and Travel. A system is adequate if it is written, followed consistently (it applies to similar items), and consistently applied (it applies to all sources of funds).
- 5.4 Cost Principles. The Subrecipient will administer its program in conformance with 2 CFR 200 Subpart E – *Cost Principles*. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.
- 5.5 Duplication of Costs. The Subrecipient certifies that work to be performed under this Agreement does not duplicate any work to be charged against any other contract, subcontract, or other source.
- 5.6 Procurement. Subrecipient shall procure all materials, property, or services in accordance with the requirements of the Uniform Guidance and 2 C.F.R. § 200.317 through 2 C.F.R. § 200.327. Subrecipient shall maintain an inventory of all equipment, furniture, and non-expendable personal property purchased with ARPA Funds.
- 5.7 Internal Controls. Subrecipient should operate according to a written set of policies and procedures that define staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents. Included in these policies and procedures will be written accounting procedures for approving and recording transactions and the control of cash receipts, disbursements, and cash balances. Subrecipient's financial policies and lines of authority may be reviewed by the County upon request for monitoring purposes.
- 5.8 Technical Assistance. If, at any time, Subrecipient believes its capacity is compromised or Subrecipient otherwise needs any sort of assistance, it shall immediately notify the County. The County will make good faith efforts to provide timely technical assistance to the

Subrecipient to bring the Agreement into compliance.

- 5.9 Equipment Purchase. Any equipment to be purchased with a cost of \$5,000, or more, per item, shall be specifically and individually identified in the attached Scope of Work and preauthorization shall be obtained from the County prior to purchase.
- 5.10 Equipment Maintenance. Subrecipient shall be responsible for the proper care and maintenance of all equipment purchased using ARPA Funds, including securing and insuring such equipment.
- 5.11 Equipment Ownership. The Subrecipient shall ensure that all such equipment is returned to the County upon termination of this Agreement unless otherwise agreed to by the parties.
- 5.12 Reporting. Subrecipient agrees to comply with any reporting obligations established by the County and/or Treasury, as it relates to this Agreement.

SECTION 6. MAINTENANCE OF RECORDS, AUDITS, AND INSPECTIONS

- 6.1 Inspection, Review, or Audit. Subrecipient shall maintain all records and financial documents required by federal and state law that are pertinent to the activities to be funded under this Agreement for six (6) years after the last date that all funds have been expended or returned to the County, whichever is later, to ensure proper accounting for all funds and compliance with the Agreement. Records shall be retained longer if any litigation, claim, or audit is started before the expiration of the record retention period. Such records shall include without limitation:
 - a. Records providing a full description of each activity undertaken;
 - b. Records demonstrating that each activity undertaken meets one of the Expenditure Categories identified in the U.S. Department of Treasury Compliance and Reporting Guidance, Appendix 1: Expenditure Categories;
 - c. Records required to determine the eligibility of activities;
 - d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with Recovery Funds;
 - e. Financial records as required by 2 CFR Part 200 Performance and Financial Monitoring and Reporting, Sections 200.328, 329, and 331; and
 - f. Other records necessary to document compliance with 2 CFR Part 200 Performance and Financial Monitoring and Reporting, Sections 200.328, 329, and 331
 - g. Records sufficient to evidence compliance with sections 602(c) and 603(c), Treasury's regulations implementing those sections, and guidance regarding the eligible uses of funds.

All subrecipients records and documents (electronic and otherwise) with respect to all matters covered by this Agreement shall be subject to access, inspection, review, and audit (electronic and otherwise) by the County, the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, unless otherwise protected by law, during normal business hours as often as the government entity deems necessary to conduct audits or other investigations. Any deficiencies noted in audit

reports must be fully cleared by the Subrecipient within 30-days after receipt by the Subrecipient. Failure of the Subrecipient to comply with this audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Subrecipient shall comply with all applicable audit requirements in accordance with 2 CFR 200, Subpart F.

The Subrecipient that expends \$750,000 or more in a fiscal year in federal funds from all sources hereby agrees to have an annual agency audit conducted in accordance with current Local Government policy concerning Subrecipient audits and 2 CFR 200.501. The Catalog of Federal Domestic Assistance (CFDA) number is 21.027.

- 6.2 Subrecipient Obligations. Subrecipient shall perform all obligations required of subrecipients under the rules governing ARPA Funds.
- 6.3 Medical Records. If applicable, medical records shall be maintained and preserved by the Subrecipient in accordance with all applicable laws, including but not limited to RCW 70.41.190, RCW 70.02.160, and standard medical records practice. Subrecipient shall also be responsible for the proper maintenance and disposal of such medical records.
- 6.4 Unauthorized Disclosure. Subrecipient agrees that all information, records, and data collected in connection with this Agreement shall be protected from unauthorized disclosure in accordance with applicable state and federal law.
- 6.5 Compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Subrecipient shall not use protected health information created or shared under this Agreement in any manner that would constitute a violation of HIPAA or applicable regulations. Subrecipient shall read and maintain compliance with all HIPAA requirements at the U.S. Office of Civil Rights website: <https://www.hhs.gov/hipaa/index.html>.

SECTION 7. CIVIL RIGHTS COMPLIANCE

- 7.1 Subrecipient ensures its current and future compliance with all legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving ARPA Funds do not prohibit exclusive from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964, as amended and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department of Treasury implementing regulations at 31 CFR part 22 and other pertinent executive orders such as Executive Order 13166; directives; circulars; policies; memoranda and/or guidance documents.

SECTION 8. CORRECTIVE ACTION, RECOUPMENT

- 8.1 If the County determines Subrecipient has failed to comply with any terms or conditions of this Agreement, or the Subrecipient has failed to provide in any manner the work or services (each a “breach”), and if the County determines that the breach warrants corrective action, the County will notify the Subrecipient in writing of the nature of the breach.
- a. Subrecipient’s Corrective Action Plan. Subrecipient shall respond with a written corrective action plan within fourteen days of its receipt of such notification unless the County, at its sole discretion, extends in writing the response time. The plan shall indicate the steps being taken to correct the specified breach and shall specify the proposed completion date for curing the breach. This date shall not be more 30 days from the date of the Subrecipient’s response, unless the County, at its sole discretion, specifies in writing an extension to complete the corrective actions.
 - b. County’s Determination of Corrective Action Plan Sufficiency. County will determine the sufficiency of the Subrecipient’s proposed corrective action plan, then notify the Subrecipient in writing of that determination. The determination of sufficiency of the Subrecipient’s corrective action plan shall be at the sole discretion of the County.
 - c. Termination or Suspension. If the Subrecipient does not respond within the appropriate time with a corrective action plan, or if the County determines that the Subrecipient’s corrective action plan is insufficient, the County may terminate or suspend this Agreement in whole or in part in its discretion.
 - d. Withholding Payment. In addition, the County may withhold any payment to the Subrecipient or prohibit the Subrecipient from incurring additional obligations of funds until the County is satisfied that corrective action has been taken or completed.
- 8.2 Remedial Actions. In the event of Subrecipient’s noncompliance with section 603(c) of the Act, Treasury’s regulations implementing that section, guidance issued by Treasury regarding the foregoing, or any other applicable federal laws or regulations, Treasury may take available remedial actions as set forth in 2 C.F.R. 200.339.
- 8.3 Recoupment. Subrecipient agrees it is financially responsible for and will repay the County all indicated amounts following an audit exception which occurs due to Subrecipient’s failure, for any reason, to comply with the terms of this Agreement. This duty to repay the County shall not be diminished or extinguished by the termination of the Agreement.

Any debts determined to be owed the County must be paid promptly by the Subrecipient. A debt is delinquent if it has not been paid by the date specified in the County’s initial written demand for payment, unless other satisfactory arrangements have been made or if

the County knowingly or improperly retains funds that are a debt. The County will take any actions available to it to collect such a debt.

- 8.4 Dispute Resolution. The parties shall use good-faith efforts to cooperatively resolve disputes and problems that arise in connection with this Agreement. Both parties will make a good faith effort to continue without delay to carry out their respective responsibilities under this Agreement while attempting to resolve the dispute.

SECTION 9. TERMINATION

- 9.1 For Convenience. County may terminate the Agreement for convenience, in whole or in part, without penalty, for any reason or no reason, with ten days prior notice to the Subrecipient.
- 9.2 Termination for Cause. In accordance with 2 C.F.R. part 200, subpart D, the County may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any term or condition of this Agreement, or if the Subrecipient fails to maintain a good faith effort to carry out the purpose of this Agreement. If the Subrecipient fails to materially comply with any term of the award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, County may take one or more of the following actions, as appropriate in the circumstances: Temporarily withhold cash payments pending correction of the deficiency; disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance; wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program; and/or withhold further awards for the program.
- 9.3 Procedures. Upon receipt of notice of termination, the Subrecipient shall stop all work as directed in the notice, notify Personnel of the termination date, and minimize further costs. All goods, materials, documents, data, and reports prepared by the Subrecipient under the Agreement shall become the property of, and delivered to, the County on demand. A final payment will be made to the Subrecipient only for work performed and accepted by the County through the effective date of termination. No costs incurred after the effective date of the termination will be paid.
- 9.4 Availability of Funds. It is expressly understood by the parties hereto that this Agreement has been negotiated and executed in anticipation of receipt of ARPA Funds by the County from the federal government, and that the terms, conditions, and sums payable under this Agreement are subject to any changes or limitations which may be required by the terms of the County's agreement with the federal government and all applicable federal law, rules, and regulations.

SECTION 10. INDEMNIFICATION

- 10.1 Indemnification. Subrecipient will hold harmless, defend, and indemnify the County, its officers, employees, and agents from any and all costs, expenses, loss, claims, actions, suits, charges, and judgments whatsoever that arise out of or are related to the

Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement. Subrecipient expressly agrees and understands that Kitsap County is a third-party beneficiary to its Agreement with Subrecipient and shall have the right to bring an action against subrecipient to enforce the provisions of this paragraph. This section shall survive the expiration or termination of this Agreement.

- 10.2 Continuing Liability. Subrecipient shall have continuing liability after the term of this Agreement for any breach of this Agreement, including failure to perform in accordance with required federal law, rules, and regulations until after all complaints, investigations, and sanctions, including those arising out of audits performed by Treasury, the County, or other authorized agencies are resolved. Subrecipient shall be liable for any sanctions or requirements imposed at any time upon the County arising out of the Subrecipient's activities performed pursuant to this Agreement

SECTION 11. INSURANCE

- 11.1 Minimum Insurance Required. Subrecipient and its subcontractors, if any, shall procure and maintain, until all Agreement obligations have been fully discharged, including satisfaction of any warranty period, all insurance required in this Section with an insurance company duly licensed in Washington State with an A.M. Best Company ratings of not less than A-VIII and a category rating of not less than "8", with policies and forms satisfactory to the County. Use of alternative insurers requires prior written approval from the County. Coverage limits shall be at minimum the limits identified in this Section, or the limits available under the policies maintained by the Subrecipient without regard to the Agreement, whichever is greater.

- 11.2 Commercial General Liability ("CGL"). Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Coverage shall include personal injury, bodily injury, and property damage for premise-operations liability, products/completed operations, personal/advertising injury, contractual liability, independent Subrecipient liability, and stop gap/employer's liability. Coverage shall not exclude or contain sub-limits less than the minimum limits required herein, without the prior written approval of the County. The certificate of insurance for the CGL policy shall expressly cover the indemnification obligations required by the Agreement.

- 11.3 Automobile Liability

- Subrecipient shall maintain personal automobile insurance on all vehicles used for Agreement purposes as required by law.
- Not less than \$100,000 per occurrence and \$300,000 annual aggregate. If a personal automobile liability policy is used to meet this requirement, it must include a business rider and cover each vehicle to be used in the performance of the Agreement. If Subrecipient will use non-owned vehicles in performance of the Contact, the coverage shall include owned, hired, and non-owned automobiles.
- Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Coverage shall include liability for all owned, hired, and non-owned vehicles.

Coverage may be satisfied with an endorsement to the CGL policy.

- 11.4 Umbrella or Excess Liability. The Contactor may satisfy the minimum liability limits required for the CGL and Automobile Liability under an Umbrella or Excess Liability policy. There is no minimum per occurrence limit of liability under the Umbrella or Excess Liability; however, the annual aggregate limit shall not be less than the highest “Each Occurrence” limit for either CGL or Automobile Liability. The Subrecipient agrees to an endorsement naming the County as an additional insured as provided in this Section unless the Umbrella or Excess Liability provides coverage on a “Follow-Form” basis.
- 11.5 Workers’ Compensation and Employer Liability. If applicable, the Subrecipient shall maintain workers’ compensation insurance as required under the Title 51 RCW (Industrial Insurance), for all Subrecipient’s Personnel eligible for such coverage. If the Agreement is for over \$50,000, then the Subrecipient shall also maintain employer liability coverage with a limit of not less than \$1,000,000.
- 11.6 Primary, Non-Contributory Insurance. The Subrecipients and its subcontractors’ insurance policies and additional named insured endorsements will provide primary insurance coverage and be non-contributory. Any insurance or self-insurance programs maintained or participated in by the County will be excess and not contributory to such insurance policies. All Subrecipient’s and its subcontractors’ liability insurance policies must be endorsed to show as primary coverage. The Subrecipient shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All subcontractors shall comply with all insurance and indemnification requirements herein.
- 11.7 Review of Policy Provisions. Upon request, the Subrecipient shall provide a full and complete copy of all requested insurance policies to the County. The County reserves the right without limitation, but has no obligation to revise any insurance requirement, or to reject any insurance policies that fail to meet the requirements of the Agreement. The County also has the right, but no obligation to review and reject any proposed insurer providing coverage based upon the insurer’s financial condition or licensing status in Washington. The County has the right to request and review the self-insurance retention limits and deductibles, and the Subrecipient’s most recent annual financial reports and audited financial statements, as conditions of approval. Failure to demand evidence of full compliance with the insurance requirements or failure to identify any insurance deficiency shall not relieve the Subrecipient from, nor be construed or deemed a waiver, of its obligation to maintain all the required insurance as required herein.
- 11.8 Waiver of Subrogation. In consideration of the Agreement award, the Subrecipient agrees to waive all rights of subrogation against the County, its elected and appointed officials, officers, employees, and agents. This waiver does not apply to any policy that includes a condition that expressly prohibits waiver of subrogation by the insured or that voids coverage should the Subrecipient enter a waiver of subrogation on a pre-loss basis.

- 11.9 Additional Insured, Endorsement and Certificate of Insurance. All required insurance coverage, other than the workers' compensation and professional liability, shall name the County, its elected and appointed officials, officers, employees, and agents, as additional insureds and be properly endorsed for the full available limits of coverage maintained by Subrecipient and its subcontractors. Endorsement is not required if the Subrecipient is a self-insured government entity or insured through a government risk pool authorized by Washington State.

The Certificate of Insurance and endorsement shall identify the Agreement number and shall require not less than thirty (30) days' prior notice of termination, cancellation, nonrenewal or reduction in coverage. At the time of execution, the Subrecipient shall provide the Certificate of Insurance, endorsement, and all insurance notices to: Risk Management Division, Kitsap County Department of Administrative Services, 614 Division Street, MS-7, Port Orchard, Washington 98366.

- 11.10 General. The coverage limits identified herein are minimum requirements only and will not in any manner limit or qualify the liabilities or obligations of the Subrecipient under the Agreement. All insurance policy deductibles and self-insured retentions for policies maintained under the Agreement shall be paid by the Subrecipient. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County, its elected and appointed officials, officers, employees, or agents. The Subrecipient's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, subject to the limits of the insurer's liability.
- 11.11 Claims-Made. If the Subrecipient's liability coverage is written as a claims-made policy, the Subrecipient shall purchase an extended-reporting period or "tail" coverage for a minimum of three (3) years following completion of the performance or attempted performance of the provisions of this Agreement.

SECTION 12. INDEBTEDNESS TO IRS OR OTHER PUBLIC ENTITY

- 12.1 Taxes and Fees. Subrecipient shall promptly pay all applicable taxes on its operations and activities pertaining to this Agreement. Failure to do so shall constitute breach of this Agreement. Subrecipient shall pay applicable sales tax imposed by the State of Washington on purchased goods and/or services.
- 12.2 Delinquent Taxes. Any judgment, lien, levy, or outstanding amount owed to the Internal Revenue Service, State, County, City, or other public entity by the Subrecipient may constitute an event of default or breach of this Agreement, unless previously approved by the County in writing, and may constitute sufficient reason for cancellation of this Agreement by the County according to the procedures contained in this Agreement.
- 12.3 Disclosure of Delinquent Taxes. Before entering into this Agreement, and during the time-period covered by this Agreement, Subrecipient shall disclose any information related to this Section. This shall also include the immediate reporting of breaches in payback arrangements or breaches in other Agreements related to the above. Failure to comply with

any disclosure provision in this Section may also constitute sufficient reason for the County to cancel this Agreement according to the procedures contained in this Agreement.

SECTION 13. NOTICE AND AGREEMENT REPRESENTATIVES

- 13.1 Any notices, demands and other communications required by the Agreement will be effective if personally served upon the other party or if mailed by registered or certified mail, postage prepaid, return receipt requested, to the other party's Authorized Representative at the address on the Face Sheet. Notice may also be given by email with the original to follow by regular mail. Notice will be deemed to be given three (3) days following the date of mailing, or immediately if personally served. Each party will designate a "Authorized Representative" on the Face Sheet which may be changed by providing fifteen (15) days prior notice to the other party.

SECTION 14. AMENDMENTS, ASSIGNMENT, INDEPENDENT SUBRECIPIENT

- 14.1 Amendment. No amendment or modification to the Agreement will be effective without the prior written consent of the authorized representatives of the parties.
- 14.2 Successors and Assigns. To the extent permitted by law, the Agreement is binding on the parties' respective partners, successors, assigns, executors, and legal representatives.
- 14.3 Assignment. Except with the prior written consent of the other party, each party shall not assign or transfer, including by merger (whether that party is the surviving or disappearing entity), consolidation, dissolution, or operation of law any right, duty, obligation, or remedy under the Agreement. Any purported assignment or transfer in violation of this section shall be void.
- 14.4 Independent Capacity. Each party under the Agreement shall be for all purposes an independent Subrecipient. Nothing contained herein will be deemed to create an association, a partnership, a joint venture, or a relationship of principal and agent, or employer and employee between the parties. Subrecipient shall have complete responsibility and control over its Personnel. Neither the Subrecipient nor its Personnel shall be, or be deemed to be, or act or purport to act, as an employee, agent, or representative of the County. Subrecipient and its Personnel shall have no County employee-type benefits of any kind whatsoever, including without limitation, insurance, pension plan, vacation pay or sick pay, or other right or privilege afforded to County employees. Subrecipient and its Personnel shall be responsible for payment of all insurance, taxes, and benefits.

SECTION 15. REPRESENTATIONS, PUBLIC RECORDS

- 15.1 No Fee. Subrecipient certifies it has not received, nor paid or agreed to pay, another person or entity, other than a bona fide employee working exclusively for the Subrecipient, any

fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the Agreement.

15.2 Licenses, Permits and Taxes. Subrecipient shall, at its own expense, have and maintain all licenses, registrations, permits, and approvals necessary for the performance of the Agreement, including without limitation, registration with the Washington State Department of Revenue. The Subrecipient shall pay all fees (including licensing fees) and applicable federal, state, and local taxes.

15.3 Public Records. Subrecipient shall make the Agreement and all public records associated with the Agreement available to the County for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (“Act”), unless otherwise required by law. To the extent that public records in the custody of the Subrecipient are needed for the County to respond to a request under the Act, as determined by the County, the Subrecipient shall make them promptly available to the County at no cost to the County. If the Subrecipient considers any portion of any record provided to the County under the Agreement, whether electronic or hard copy, to be protected from disclosure under the law, the Subrecipient shall clearly identify all specific information it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information that has been identified by the Subrecipient as protected from disclosure and the County determines that release of the information is required by the Act or otherwise appropriate, the County’s sole obligation will be to make a reasonable effort to notify the Subrecipient of the request and the date that such protected information will be released to the requester unless the Subrecipient obtains a court order to enjoin disclosure pursuant to RCW 42.56.540. If the Subrecipient fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified. The County has, and by this Section assumes, no obligation on behalf of the Subrecipient to claim any exemption from disclosure under the Act. The County will not be liable to the Subrecipient for releasing records in compliance with the Act, this Section or court order.

SECTION 16. SUBCONTRACTS

16.1 Subcontracts. Subrecipient shall provide the County a list of all subcontractors and their proposed responsibilities. Subcontractor means any Agreement, express or implied, between the Subrecipient and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or service for the performance of the Agreement. All subcontractors shall incorporate by reference the terms and conditions of this Agreement. Subrecipient is solely responsible for the performance, payment, and legal compliance of its subcontractors.

SECTION 17. APPLICABLE LAW, DISPUTES

17.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue for any action hereunder shall be in the Superior Court for Kitsap County, Washington.

17.2 Disputes. Conflicts and disagreements between the parties related to the Agreement will be promptly brought to the attention of the County. Any dispute relating to the quality or acceptability of performance or compensation due the Subrecipient will be decided by the County's Agreement Representative. All decisions of the County's Agreement Representative are considered final; however, nothing herein prohibits either party from seeking judicial relief.

SECTION 18. FORCE MAJEURE

18.1 Neither the Subrecipient nor the County shall be considered in breach or default of its obligations to make satisfactory progress toward the completion of the Project in the event of unforeseen delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence. The time for performance of the obligations and length of period of restriction on use shall be extended for the period of the unforeseen delay, as determined by the County, if the party seeking the extension shall request it in writing of the other party within ten (10) days after the beginning of the unforeseen delay

SECTION 19. ATTACHMENTS

19.1 The following attachments, collectively referred to herein as "Attachments", are incorporated in this Agreement in full by reference.

ATTACHMENT LETTER	ATTACHMENT NAME(S)
--	Face Sheet(s)
A	Federal Contract Terms
B	Scope of Work
C	Cost Certification & Reimbursement Request Form
D	Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions
E	Civil Rights Certification
F	Lobbying Certification & Disclosure of Lobbying Activities

SECTION 20. GENERAL PROVISIONS

20.1 Time. Time is of the essence in this Agreement.

20.2 Non-Waiver of Breach. Waiver of any default shall not be deemed to be a waiver of any subsequent default. No action or failure to act by the County shall constitute a waiver of any right or duty afforded to the County under the Agreement; nor shall any such action or failure to act by the County modify the terms of the Agreement or constitute an approval of, or acquiescence in, any breach hereunder, except as may be specifically stated by the County in writing.

20.3 Implied Agreement Terms. Each provision of law and any terms required by law to be in

the Agreement are made a part of the Agreement as if fully stated in it.

- 20.4 Headings/Captions. Headings and captions used are for convenience only and are not a part of the Agreement and do not in any way limit or amplify the terms and provisions hereof.
- 20.5 No Party the Drafter. The Agreement is the product of negotiation between the parties, and no party is deemed the drafter of the Agreement.
- 20.6 No Third-Party Beneficiary. Except otherwise provided herein, no provision of the Agreement is intended to, nor will it be construed to, create any third-party beneficiary, or provide any rights or benefits to any person or entity other than the County and the Subrecipient.
- 20.7 Severability. If a court of competent jurisdiction holds any provision of the Agreement to be illegal, invalid, or unenforceable, in whole or in part, the validity of the remaining provisions will not be affected, and the parties' rights and obligations will be construed and enforced as if the Agreement did not contain the particular provision held to be invalid. If any provision of the Agreement conflicts with any statutory provision of the State of Washington, the provision will be deemed inoperative to the extent of the conflict or modified to conform to statutory requirements.
- 20.8 Counterparts. The Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.
- 20.9 Survival. Those provisions of this Agreement that by their sense and purpose should survive expiration or termination of the Agreement shall so survive.
- 20.10 Entire Agreement. The parties acknowledge the Agreement is the product of negotiation between the parties and represents the entire agreement of the parties with respect to its subject matter. All previous agreements and representations, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by the Agreement.
- 20.11 Subrecipient Certification. By signing below, Subrecipient, certifies that Subrecipient has read and understood and is and will comply with the Agreement, Attachments, APPA Rules and applicable federal, state, and local law. Subrecipient further understands that as federal guidance becomes available, an amendment to this Agreement may become necessary and agrees to execute any necessary amendments and comply with the same. Subrecipient acknowledges that any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this Agreement could subject the Contractor to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and applicable law.
- 20.12 Authorization. Each party signing below warrants to the other party that they have the full power and authority to execute this Agreement on behalf of the party for whom they sign.

DATED this 23 day of AUGUST, 2023.

KITSAP COMMUNITY RESOURCES

Immaculata Davis, FOR ANTHONY IVES EXECUTIVE DIRECTOR
Signature

TRMGARD DAVIS
Print Name

FISCAL OFFICER
Title

DATED or ADOPTED this 11 day of September, 2023.

**BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON**

Charlotte Garrido

CHARLOTTE GARRIDO, Chair

Katherine T. Walters

KATHERINE T. WALTERS, Commissioner

Christine Rolfes

CHRISTINE ROLFES, Commissioner

ATTEST:

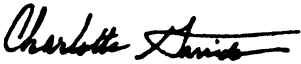
Dana Daniels

Dana Daniels, Clerk of the Board

KC-367-23
FACE SHEET
KITSAP COUNTY

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

Pursuant to 2 CFR 200.332(a)(1) Federal Award Identification

(1) Subrecipient Name: Kitsap Community Resources	(2) Unique Entity Identifier:	Project Identification Number:
(3) Federal Award Identification No. (FAIN):	(5) Subaward Period of Performance (Start & End Date): 07/01/2023 - 12/31/2024	(6) Subaward Budget Period (Start & End Date):
(4) Federal Award Date: 7/1/2023		
(7) Amount of Federal Funds Obligated by this Action: \$1,800,000	(8) Total Amount of Federal Funds Obligated: \$1,800,000	
(9) Total Amount of the Federal Award Committed to the Subrecipient: \$1,800,000		
(10) Federal Award Project Description: Provide rental assistance to Kitsap County households that apply for assistance through partnered legal services organizations		
(11a) Name of Federal Awarding Agency: United States Department of Treasury	(11b) Name of Pass-Through Entity: Kitsap County	
(12) Assistance Listing Number & Title: CFDA 21.027	(13) Research & Development Award? No	
(14) Indirect Cost Rate for the Federal Award: None	Award Payment Method (Lump Sum or Reimbursement): Reimbursement	
Signing Statement: Kitsap County and Subrecipient, as defined above, acknowledge and accept the terms of this Subrecipient Agreement on the date below. The rights and obligations of both parties to this Subaward are governed by this Agreement and the following other documents incorporated by reference: Attachment A - Federal Contract Terms; Attachment B - Scope of Work; Attachment C - Cost Certification & Reimbursement Request Form; Attachment D - Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions; Attachment E - Civil Rights Certification; Attachment F - Lobbying Certification & Lobbying Disclosure; and Attachment G - Prevailing Wage.		
FOR KITSAP COUNTY  Charlotte Garrido Chair, Board of County Commissioners 9/11/23 Date	FOR SUBRECIPIENT IRMGARD DAVIS FOR ANTHONY IVES Representative Name EXECUTIVE DIRECTOR Representative Title FISCAL OFFICER 8/23/2023 Date	

FACE SHEET

CONTINUED

KITSAP COUNTY

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

Pursuant to 2 CFR 200.332(a)(1) Federal Award Identification

(11c) Contact Information:	
PASS-THROUGH AGENCY	SUBRECIPIENT AGENCY
Financial Contact:	Financial Contact:
Name/Title: <u>Aimée Campbell, Financial Analyst</u>	Name/Title: <u>Irmgard Davis</u>
Mailing Address: <u>614 Division Street MS-7</u> <u>Port Orchard, WA 98366</u>	Address: <u>845 8th Street</u> <u>Bremerton, WA 98337</u>
Phone: <u>(360) 697-4097</u>	Phone: <u>360-473-2002</u>
Fax: <u>(360) 337-7052</u>	Fax: _____
Email: <u>acambel@kitsap.gov</u>	Email: <u>irmgarddavis@kcr.org</u>
Program Manager:	Project Manager:
Name/Title: <u>Eric Baker, Dep. County Administrator</u>	Name/Title: <u>Rachel Hill</u>
Address: <u>614 Division Street MS-7</u> <u>Port Orchard, WA 98366</u>	Address: <u>1201 Park Avenue</u> <u>Bremerton, WA 98337</u>
Phone: <u>(360) 337-4495</u>	Phone: <u>360-473-2032</u>
Fax: <u>(360) 337-7052</u>	Fax: _____
Email: <u>ebaker@kitsap.gov</u>	Email: <u>Rhill@kcr.org</u>
Authorized Representative:	Authorized Representative:
Name/Title: <u>Charlotte Garrido; Chair, County Commission</u>	Name/Title: <u>Anthony J. Ives</u>
Address: <u>614 Division Street MS-7</u> <u>Port Orchard, WA 98366</u>	Address: <u>845 8th Street</u> <u>Bremerton, WA 98337</u>
Phone: <u>(360) 337-7080</u>	Phone: <u>360-473-2013</u>
Fax: <u>(360) 337-7052</u>	Fax: _____
Email: <u>kitsapcommissioners@kitsap.gov</u>	Email: <u>aives@kcr.org</u>

ATTACHMENT A
FEDERAL CONTRACT TERMS

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

If applicable, the following provisions apply to the Subrecipient Agreement for receipt of ARPA Funds:

1. **CONFLICT.** In the event of conflict between these Federal Contract Terms and the Subrecipient Agreement, the Federal Contract Terms shall take priority.
2. **COMPLIANCE.** Subrecipient understands and agrees that funds provided under the Subrecipient Agreement come from a federal source and agrees to comply with all additional applicable terms.
 - A. Technical Assistance. If, at any time, Subrecipient believes its capacity is compromised or Subrecipient otherwise needs any sort of assistance, it shall immediately notify the County. County will make best efforts to provide timely technical assistance to Subrecipient to bring Subrecipient into compliance.
 - B. Compliance with Act. Subrecipient understands and agrees that ARPA Funds provided under the Subrecipient Agreement may only be used in compliance with section 603(c) of the Social Security Act (“Act”), as added by section 9901 of the American Rescue Plan Act (“ARPA”), the U.S. Department of Treasury’s (“Treasury’s”) regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
3. **SCOPE OF ELIGIBLE EXPENDITURES.** ARPA funds may only for reimbursable eligible expenditures as described in the Subrecipient Agreement, these Federal Contract Terms and Scope of Work. No ARPA Funds may be used to pay or reimburse costs for expenditures for which Subrecipient has received any other funding, whether state, federal or private in nature, for that same expense.
4. **REPORTS.** Subrecipient shall provide the County with additional information and documentation upon request, including completing any reports deemed necessary for the County to comply with documentation, reporting, or audit requirements
5. **REMEDIES.** All administrative, contractual, or other legal remedies available by law, including sanctions and penalties, are available to the parties in the event of a breach of contract.
6. **UNIFORM GUIDANCE COMPLIANCE**
 - A. Remedial Actions. In the event of Subrecipient’s noncompliance with section 603(c) of the Act, Treasury’s regulations implementing that section, guidance issued by Treasury

regarding the foregoing, or any other applicable federal laws or regulations, Treasury may take available remedial actions as set forth in 2 C.F.R. 200.339.

B. Recoupment

1. Subrecipient agrees that it is financially responsible for and will repay the County all indicated amounts following an audit exception which occurs due to Subrecipient's failure, for any reason, to comply with the terms of the Subrecipient Agreement. This duty to repay the County shall not be diminished or extinguished by the termination of the Contract.
2. In the event of a violation of section 603(c) of the Act, ARPA Funds shall be subject to recoupment by the County.
3. Any funds paid to Subrecipient (a) more than the amount to which Subrecipient is authorized to retain under the terms of the Subrecipient Agreement; (b) that are determined by the Treasury Office of Inspector General to have been misused; (c) are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act; or (d) are otherwise subject to recoupment by the County shall constitute a debt to the County.
4. Any Subrecipient debts determined to be owed the County must be paid promptly by Subrecipient. A debt is delinquent if it has not been paid by the date specified in the County's initial written demand for payment, unless other satisfactory arrangements have been made or if the County knowingly or improperly retains funds that are a debt. The County will take any actions available to it to collect such a debt.

- C. Return of Unused ARPA Funds. If Subrecipient has any unspent ARPA Funds on hand as of the earlier of December 31, 2024, or the termination of the Subrecipient Agreement, Subrecipient shall return all unspent ARPA Funds to the County within ten (10) calendar days.

7. DISCLAIMER

- A. The United States expressly disclaims all responsibility or liability to Subrecipient or third persons for the actions of Subrecipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this grant or any contract, or subcontract under this grant.
- B. The acceptance of this grant by Subrecipient does not in any way establish an agency relationship between the United States and Subrecipient.

8. **CONFLICT OF INTEREST**. Subrecipient understands and agrees it must maintain and comply with a conflict-of-interest policy consistent with 2 C.F.R. § 200.318(c) and such policy is applicable to each activity funded under this award. Subrecipient and subrecipients must disclose in writing to the County or Treasury, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. PROTECTION FOR WHISTLEBLOWERS

- A. In accordance with 41 U.S.C. § 4712, Subrecipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of

persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

- B. The list of persons and entities referenced in the paragraph above includes the following: (1) a member of Congress or a representative of a committee of Congress; (2) an Inspector General; (3) the Government Accountability Office; (4) a Treasury employee responsible for contract or grant oversight or management; (5) an authorized official of the Department of Justice or other law enforcement agency; (6) a court or grand jury; and (7) a management official or other employee of Subrecipient, Subrecipient, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- C. Subrecipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

10. INCREASING SEAT BELT USE IN THE UNITED STATES. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Subrecipient is encouraged to adopt and enforce on-the-job seat belt policies and programs for its their employees when operating company-owned, rented or personally owned vehicles.

11. REDUCING TEXT MESSAGING WHILE DRIVING. Pursuant to Executive Order 13513, 74 FR 51225 (October 6, 2009), Subrecipient is encouraged to adopt and enforce policies that ban text messaging while driving, and to establish workplace safety policies to decrease accidents caused by distracted drivers.

12. FALSE STATEMENTS. Subrecipient understands that making false statements or claims in connection with this Subrecipient Agreement may be a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal or county awards or contracts, and/or any other remedy available by law.

13. APPLICABLE LAWS

The Subrecipient Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Subrecipient agrees to comply with the requirements of section 603 of the Act, the Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing. Subrecipient also agrees to comply with all other applicable federal laws, regulations, and executive orders, and Subrecipient shall provide for such compliance by other parties in any agreements it enters with other parties relating to this Subrecipient Agreement. Federal regulations applicable to this grant may include, without limitation, the following:

- A. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, including the following: Subpart A, Acronyms and Definitions; Subpart B, General Provisions; Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards; Subpart D, Post-Federal Award Requirements; Subpart E, Cost Principles; and Subpart F, Audit Requirements.

- B. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - C. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - D. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
 - E. Subrecipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - F. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - G. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - H. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
 1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's Implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 2. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing based on race, color, religion, national origin, sex, familial status, or disability;
 3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination based on disability under any program or activity receiving federal financial assistance;
 4. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination based on age in programs or activities receiving federal financial assistance; and
 5. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination based on disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
14. HATCH ACT. Subrecipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits certain political activities of federal employees, as well as certain other employees who work in connection with federally funded programs. Subrecipient agrees to comply with the Prohibition on Providing Funds to the Enemy (2 C.F.R. 183).
15. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Subrecipient Agreement, the Subrecipient agrees as follows:

Subrecipient will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Subrecipient will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

- A. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- B. The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- C. The Subrecipient will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Subrecipient's legal duty to furnish information.
- D. The Subrecipient will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Subrecipient's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- E. The Subrecipient will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- F. The Subrecipient will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- G. In the event of the Subrecipient's noncompliance with the nondiscrimination clauses of

this Subrecipient Agreement or with any of the said rules, regulations, or orders, this Subrecipient Agreement may be canceled, terminated, or suspended in whole or in part and the Subrecipient may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- H. Subrecipient will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Subrecipient will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:
1. Provided, however, that in the event a Subrecipient becomes involved in, or is threatened with, litigation with a subcontractor or vendor due to direction by the administering agency, the Subrecipient may request the United States to enter such litigation to protect the interests of the United States.
 2. County further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the County so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the Subrecipient Agreement.
 3. County agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of Subrecipients and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.
 4. County further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a Subrecipient debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Subrecipients and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the County agrees that if it

fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the County under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such County; and refer the case to the Department of Justice for appropriate legal proceedings.

16. **DAVIS-BACON ACT.** All transactions regarding this Subrecipient Agreement shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The Subrecipient shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable. Subrecipients are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. Additionally, Subrecipients are required to pay wages not less than once a week.

17. **COPELAND ANTI-KICKBACK ACT**

A. Subrecipient. The Subrecipient shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Subrecipient Agreement.

B. Subcontracts. The Subrecipient or subcontractor shall insert in any subcontracts the clause above and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all contract clauses.

C. Breach. A breach of the Subrecipient Agreement clauses above may be grounds for termination of the Subrecipient Agreement, and for debarment as a Subrecipient and subcontractor as provided in 29 C.F.R. § 5.12.

18. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**

A. Overtime Requirements. As required by 29 C.F.R. § 5.5(b), no Subrecipient or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

B. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) of this section the Subrecipient and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Subrecipient and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards,

employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work more than the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

- C. Withholding for Unpaid Wages and Liquidated Damages. The County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Subrecipient or subcontractor under any such contract or any other federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Subrecipient or subcontractor for unpaid wages and liquidated damages as provided by federal law.
 - D. Subcontracts. The Subrecipient or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (A) through (D) of this section and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (A) through (D) of this section.
19. RIGHTS TO INVENTIONS. All materials produced under this Subrecipient Agreement shall be considered “works for hire” as defined by the U.S. Copyright Act and shall be owned by the County.
20. CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT. Subrecipient will comply with all applicable federal environmental laws and regulations, including without limitation.
- A. Clean Air Act. The Subrecipient agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Subrecipient agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. The Subrecipient agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by FEMA.
 - B. Federal Water Pollution Control Act. The Subrecipient agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Subrecipient agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. The Subrecipient agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by

FEMA.

21. DEBARMENT AND SUSPENSION. If this Subrecipient Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000, the Subrecipient is required to verify that none of the Subrecipient's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Subrecipient must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters.

This certification is a material representation of fact relied upon by the County. If it is later determined that the Subrecipient did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

22. PROCUREMENT OF RECOVERED MATERIALS. In the performance of this Subrecipient Agreement, the Subrecipient shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired i) competitively within a timeframe providing for compliance with the contract performance schedule; ii) meeting contract performance requirements; or ii) at a reasonable price. Information about this requirement, along with the list of EPA-designated items, available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/mm/comprehensive-procurement-guideline-cpg-program>. Subrecipient also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.
23. ACCESS TO RECORDS. Subrecipient agrees to provide the County, the Treasury Office of Inspector General, the Government Accountability Office, or any of their authorized representatives access to any books, documents, papers, and records of the Subrecipient which are directly pertinent to this Subrecipient Agreement for the purposes of making audits, examinations, excerpts, and transcriptions, to the extent allowed by law. The Subrecipient agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. The Subrecipient agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the Subrecipient Agreement. In compliance with the Disaster Recovery Act of 2018, the County and the Subrecipient acknowledge and agree that no language in this Subrecipient Agreement is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.
24. AMENDMENTS. The Subrecipient Agreement may only be amended upon the mutual

written agreement of the parties.

25. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS. Subrecipient will comply with all applicable federal law, regulations, executive orders, policies, procedures, and directives.
26. NO OBLIGATION BY FEDERAL GOVERNMENT. The federal government is not a party to this Subrecipient Agreement and is not subject to any obligations or liabilities to the non-federal entity, Subrecipient, or any other party pertaining to any matter resulting from this Subrecipient Agreement.
27. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. Subrecipient acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Subrecipient's actions pertaining to this Subrecipient Agreement.
28. BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. § 1352 (AS AMENDED). Subrecipients who request or receive an award for federal money shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded

Required Certification. If applicable, Subrecipients must sign and submit to the non-federal entity the following certification.

APPENDIX A, 44 C.F.R. PART 18 — CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, as attached.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By signing below, Subrecipient certifies that Subrecipient has read and understood, is and will remain in compliance with the above-described obligations. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

Kitsap Community Resources

Dated this 23 day of AUGUST, 2023.

Irmgard Davis, For ANTHONY IVES
 Signature of Authorized Representative
 EXECUTIVE DIRECTOR

IRMGARD DAVIS
 Print Name

FISCAL OFFICER
 Title of Authorized Representative

ATTACHMENT B
SCOPE OF WORK

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

A. PROJECT NAME: Kitsap Community Resources

B. PROJECT SUMMARY

Kitsap Community Resources will provide rental assistance to Kitsap County households that apply for assistance through partnered legal services organizations.

C. PROJECT BACKGROUND

The Housing and Homelessness Division of the Kitsap County Department of Human Services was granted emergency Treasury Rental Assistance Program (T-RAP) funding from the Washington State Department of Commerce. In addition, Kitsap County applied directly to the Treasury Department and was awarded funding directly through the Treasury Eviction Rent Assistance program (Treasury ERA). These funds were granted for the purpose of supporting activities that will reduce the likelihood of eviction among low-income households, with a focus on ensuring that historically underserved populations have information about and access to this resource.

The programs ended June 30, 2023, but the ongoing need resulting from COVID-19 pandemic continues.

D. PROJECT GOALS & OBJECTIVES

Kitsap Community Resources shall operate an eviction prevention rental assistance program and provide rental assistance grants to Kitsap County households that apply for assistance through partnered legal services organizations (Kitsap Legal Services, Dispute Resolution Center of Kitsap County, and Northwest Justice Project).

This funding is intended to be used to ease the impact of the Kitsap Eviction Prevention Assistance (KEPA) Program ending, with a specific emphasis on serving households with an unlawful detainer or who are receiving services from KEPA legal partners to prevent eviction.

E. PROJECT IMPLEMENTATION

The eviction prevention program shall be operated in accordance with the Federal Contract Terms in Attachment A and in compliance with the most current version of the Kitsap Grant Guidelines for Kitsap Eviction Prevention Assistance Program (KEPA), the Washington State Department of Commerce Guidelines for the Treasury Rent Assistance Program (T-RAP), and other program requirements provided by Kitsap County until contract funding is exhausted.

No additional equipment is to be purchased with this grant.

F. PROJECT SCHEDULE

The project timeline allows for contracted legal partners to seek rental assistance funding for clients who are at imminent risk of eviction.

G. MONITORING ACTIVITIES

Grant recipient will be monitored as follows:

- Expenses for the project are monitored on a monthly or quarterly basis when reimbursement requests are submitted.
- An annual on-site monitoring visit that includes review of client eligibility documentation, relevant policies and procedures, and project operations.

H. PROJECT REPORTS

To be submitted per the terms of the Subrecipient Agreement.

I. PROJECT BUDGET

CONTRACTED SERVICES	
ARPA COVID-19 Activities	\$1,800,000.00
PROJECT BUDGET TOTAL	\$1,800,000.00

ATTACHMENT C
COST CERTIFICATION

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

By signing below, the Subrecipient certifies as follows:

1. I have authority and approval from the governing body of Kitsap Community Resources ("Subrecipient") to request reimbursement from Kitsap County ("County") from the County's allocation of the Coronavirus State & Local Fiscal Recovery Fund ("CSLFRF") as created by the American Rescue Plan Act of 2021, Section 9901 ("ARPA") for eligible expenditures identified in Kitsap County contract number KC-367-23 and identified on the corresponding Reimbursement Request Form for report period July 1, 2023 through December 31, 2024.
2. I understand the County will rely on this Cost Certification as a material representation in processing my reimbursement request.
3. I understand the Subrecipient receiving funds pursuant to this Cost Certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts, in a manner consistent with § 200.334 – Retention Requirements for Records under 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Such documentation shall be produced and provided to the County upon request, at no cost to the County, and may be subject to audit by the WA State Auditor's Office.
4. I understand any funds provided pursuant to this Cost Certification cannot be used as a revenue replacement for lower-than-expected tax or other revenue collections nor can they be used for expenditures for which Subrecipient has received any other funding (whether state, federal, or private in nature) for that same expense.

By signing below, Subrecipient certifies that Subrecipient has read and understood, is and will remain in compliance with the above-described obligations. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

Kitsap Community Resources

Dated this 23 day of AUGUST, 2023.

Irmgard Davis FOR ANTHONY LIVES
Signature of Authorized Representative
EXECUTIVE DIR.

IRMGARD DAVIS
Print Name

FISCAL OFFICER
Title of Authorized Representative

ATTACHMENT D
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND
VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participant's responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

(BEFORE COMPLETING CERTIFICATION, READ THE INSTRUCTIONS ON THE NEXT PAGE WHICH ARE AN INTEGRAL PART OF THE CERTIFICATION)

1. The prospective recipient of Federal assistance funds certifies, by submission of this IFB/RFP Response, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this IFB/RFP Response.

Kitsap Community Resources

Dated this 23 day of AUGUST, 2023.

Terrigard Davis, for ANTHONY IVES
Signature of Authorized Representative
EXECUTIVE DIRECTOR

TERNGARD DAVIS
Print Name

FISCAL OFFICER
Title of Authorized Representative

FEDERAL DEBARMENT CERTIFICATION FORM (CONTINUED)

1. By signing and submitting this response, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this class is a material representation of fact upon which reliance was placed when this transaction was entered. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department of Labor (DOL) may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this response is submitted if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "RFP Response," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this response is submitted for assistance in obtaining a copy of those regulations.
5. The prospective recipient of Federal assistance funds agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DOL.
6. The prospective recipient of Federal assistance funds further agrees by submitting this response that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the List of Parties Excluded from Procurement or Non-Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this

transaction, in addition to other remedies available to the Federal Government, the DOL may pursue available remedies, including suspension and/or debarment.

ATTACHMENT E
CIVIL RIGHTS CERTIFICATION

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

The ARPA funds provided to the grant subrecipient named below (“Subrecipient”) are available under section 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act.

1. Subrecipient understands and acknowledges that:

As a condition of receipt of federal financial assistance from the Department of the Treasury (“Treasury”), with monies distributed through Kitsap County, Subrecipient provides the assurances stated herein. The federal financial assistance may include federal grants, loans, and contracts to provide assistance to Subrecipient and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits. This assurance applies to all federal financial assistance from or funds made available through the Department of Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all operations of Subrecipient’s programs and activities, so long as any portion of Subrecipient’s programs or activities are federally assisted in the manner prescribed above.

2. Subrecipient certifies the following:

A. Subrecipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.

B. Subrecipient acknowledges Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Subrecipient understands denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and Treasury implementing regulations. Accordingly, Subrecipient shall take reasonable steps, or comply with the Department of Treasury’s directives, to ensure LEP persons have meaningful access to its programs, services, and activities. Subrecipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Subrecipient programs, services, and activities.

- C. Subrecipient agrees to consider the need for language services for LEP persons when Subrecipient develops applicable budgets and when conducting programs, services, and activities. As a resource, the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
- D. Subrecipient acknowledges and agrees compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Subrecipient and its successors, transferees, and assignees for the period in which such assistance is provided.
- E. Subrecipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances A - D above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the subrecipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:
Subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits Subrecipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person based on race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to LEP persons in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of the Contract.
- F. Subrecipient understands and agrees that if any real property or structure is provided or improved with federal financial assistance by the Treasury, Subrecipient, or in the case of a subsequent transfer, transferee, is obligated for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If personal property is provided, this assurance obligates the Subrecipient for the period during which it retains ownership or possession of the property.
- G. Subrecipient shall cooperate in any enforcement or compliance review activities by the Treasury of Subrecipient's obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. Subrecipient shall comply with information requests, on-site compliance reviews and reporting requirements.
- H. Subrecipient shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending, or completed, including outcome. Subrecipient must also inform the Treasury if Subrecipient has received no complaints under Title VI.
- I. Subrecipient must provide documentation of an administrative agency or court findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Subrecipient and administrative agency that made the finding. Subrecipient must provide documentation of the settlement

of any case or matter alleging discrimination or identify that Subrecipient has not been the subject of any court or administrative agency finding of discrimination.

- J. The U.S. has the right to seek judicial enforcement of the terms contained herein. Nothing in this document alters or limits the federal enforcement measures that the U.S. may take to address violations of any provision contained herein or other applicable federal law.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take to address violations of this document or applicable federal law.

By signing below, Subrecipient certifies that Subrecipient has read and understood its obligations as described herein, that any information submitted in conjunction with this assurance document is accurate and complete, and that the Subrecipient is in compliance with the nondiscrimination requirements. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

Kitsap Community Resources

Dated this 23 day of AUGUST, 2023.

Imbard Davis, for ANTHONY IVES
Signature of Authorized Representative
EXECUTIVE DIRECTOR

IRMBARD DAVIS
Print Name

FISCAL OFFICER
Title of Authorized Representative

ATTACHMENT F
LOBBYING CERTIFICATION

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

The undersigned certifies, to the best of the undersigned's knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, as attached.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By signing below, Subrecipient certifies that Subrecipient has read and understood, is and will remain in compliance with the above-described obligations. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

Kitsap Community Resources

Dated this 23 day of AUGUST, 2023.

Ingrid Davis, for ANTHONY IVES
Signature of Authorized Representative
EXECUTIVE DIRECTOR

IRMGARD DAVIS
Print Name

FISCAL OFFICER
Title of Authorized Representative



KITSAP COUNTY

Grant Subrecipient Risk Assessment & Audit Certification

Subrecipient Name: Kitsap Community Resources

Entity Type: Local Government Non-Profit Tribe Other: _____

Grant Program Title: American Rescue Plan Act of 2021 (ARPA): Coronavirus State & Local Fiscal Recovery Funds (CSLFRF)

Subaward Amount Requested: _____ DUNS No: 1459663

Federal Tax ID No: 91-0791411 State UBI No: 600-217-619

Authorized Financial Representative: Irmgard Davis

Physical Address: 845 8th Street

Mailing Address: 845 8th Street

City: Bremerton State: WA Zip Code: 98337

Email: irmgard@kcrs.org Phone: 360-473-2002

RISK ASSESSMENT QUESTIONNAIRE

Per Title 2 CFR § 200.332, Kitsap County is required to evaluate the risk of noncompliance with federal statutes, regulations, and grant terms and conditions, posed by each subrecipient of pass-through funding. This assessment is made in order to determine and provide an appropriate level of technical assistance, training, and grant oversight to subrecipients for the award referenced above.

The following questions are related to your organization's experience in the management of federal grant awards. This questionnaire must be completed and returned prior to the execution of a contract with Kitsap County.

For purposes of completing this questionnaire, *grant manager* is the individual who has primary responsibility for day-to-day administration of the grant, *bookkeeper/accounting staff* means the individual who has the responsibility for reviewing and determining expenditures to be charged to the grant award, and *organization* refers to the subrecipient applying for the award, and/or the governmental implementing agency, as applicable.

In what year was your organization founded?	1965
How long has your organization worked with Kitsap County?	57 years
Have you, your staff, or your organization ever been suspended or debarred?	No
Has your organization ever been the subrecipient of a federal award before?	Yes
If you answered yes, how many subawards has your organization managed in the last five years?	15
How many years of experience does your current grant manager have managing grants?	30
How many years of experience does your current bookkeeper/accounting staff have managing grants?	30
What types of accounting system does your organization use to track and report grant costs?	MIP
Has your organization recently undergone a substantial change in staff or accounting systems?	Yes
What percentage of your anticipated 2022 gross revenue does this subaward represent?	8%
How many individual grants did your organization receive and manage during your most recent fiscal year?	74
In your preceding fiscal year, did your organization receive 80% or more of its gross revenue from federal funding?	No

In your preceding fiscal year, did your organization receive \$25,000,000 or more in federal funding?	No
Are individual staff members assigned to work on multiple grants?	Yes
Do you use timesheets to track the time spent by staff working on specific grants and/or activities?	Yes
Do you have an approved, up-to-date Indirect Cost Rate plan to charge costs to grants?	Yes
Do you have written procurement policies that comply with federal grant requirements under 2 CFR § 200?	Yes
Do you procure multiple quotes or bids when buying items or services?	Yes
How many years do you maintain receipts, deposits, cancelled checks, invoices, etc?	7
Does your organization have a written Conflict of Interest policy?	Yes
Do you intend to pass grant funds through to another agency?	No

AUDIT CERTIFICATION

Per Title 2 CFR § 200.500, non-federal entities that expend \$750,000 in federal awards in a fiscal year, shall have a single or program-specific audit conducted for that year.

- If your entity is **NOT** subject to these requirements, you must complete Sections A and C below.
- If your entity **IS** subject to these requirements, you must complete Sections B and C below.

Section A: Entities NOT subject to the audit requirements of 2 CFR § 200.500.
Please check all that apply.

<input type="checkbox"/>	We did not expend \$750,000 or more of total federal awards during the preceding fiscal year.
<input type="checkbox"/>	We are a for-profit organization.
<input type="checkbox"/>	We are exempt for other reasons (describe):

By signing below, I agree that we are still subject to the audit requirements, laws, and regulations governing the program(s) in which we participate; that we are required to maintain records of federal funding and to provide access to such records by federal and state agencies and their designees; and that Kitsap County may request and be provided access to additional information and/or documentation to ensure proper stewardship of federal funds.

Section B: Entities that ARE subject to the audit requirements of 2 CFR § 200.500.
Please check the appropriate box.

<input type="checkbox"/>	We completed our last Single Audit on _____ for fiscal year _____. There were no findings related to federal awards or internal controls.
<input checked="" type="checkbox"/>	We completed our last Single Audit on <u>07/22/22</u> for fiscal year <u>2021</u> and there were findings related to federal awards and/or internal controls.
<input type="checkbox"/>	Our completed Single Audit will be available on _____ for fiscal year _____.

Section C: Additional Audit Questions Please answer each question below or indicate Not Applicable from the drop-down menu.	
If you answered yes to Section B.2 above, have the issues of non-compliance been resolved?	Yes
Has any previous subrecipient monitoring resulted in findings of non-compliance?	No
If you answered yes, have those issues of non-compliance been resolved?	
Please provide the Washington State Auditor's Office audit number from your last Single Audit report.	
If your audit was not completed by the SAO, please attach a copy of your last audit to your submission of this form.	
Please provide any additional information that you would like for us to consider:	

I hereby certify that I am an individual authorized by the above identified entity (subrecipient) to complete this form. Further, I certify that the above information is true and correct, and all material findings contained in the audit report/statement have been disclosed.

Additionally, I understand this form is to be submitted every fiscal year for which this entity is a subrecipient of federal award funds from Kitsap County until the grant agreement is closed.



Signature of Authorized Agent

8/9/23

Date

Anthony J. Ives

Print Name

Executive Director

Title

KITSAP COMMUNITY RESOURCES
INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
December 31, 2021

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**KITSAP COMMUNITY RESOURCES
ANNUAL FINANCIAL REPORT
December 31, 2021**

INTRODUCTION

BACKGROUND AND MANAGEMENT'S STATEMENT OF PURPOSE

Kitsap Community Resources (KCR) has been providing services for low income, handicapped and senior citizens in Kitsap County since 1967. The general purposes of KCR are to identify and assess poverty-related problems in the community, to develop strategies for addressing poverty issues, to serve as an advocate and an educator to ensure public support for meeting the specific needs of low-income people, and to design and implement programs that serve this population. At all times, the primary goal of KCR is to help its clients attain an independent, self-reliant and dignified quality of life.

Created by the Equal Opportunity Act of 1964, KCR is a private, nonprofit, charitable corporation. KCR's twelve-member Board of Directors is comprised of volunteers who represent federal, state, and local governments, other social service agencies, major community groups and low-income councils.

KCR coordinates its activities with other community agencies, churches, businesses, and government organizations to address such poverty issues as unemployment, hunger, homelessness, childcare, and energy needs. Either by coordinating existing community resources or establishing new programs, KCR has been instrumental in founding several successfully operating independent programs.

During 2021, KCR provided Head Start and Early Childhood Education Assistance Programs, Senior's and children's Meal Programs, Employment Training Programs, Emergency and Transitional Housing, weatherization and Energy Assistance Programs, AmeriCorps Program, and Women, Infant and Child (WIC) Programs. KCR provided direct services to more than 30,000 Kitsap County residents. In addition to its own funding base, KCR distributed more than \$2,000,000 in WIC Food Vouchers for the economic benefit of Kitsap County.



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kitsap Community Resources
Bremerton, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kitsap Community Resources (a Washington nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kitsap Community Resources as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Kitsap Community Resources 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Kitsap Community Resources ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Kitsap Community Resources 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.

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 as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of state financial assistance, are presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2022 on our consideration of Kitsap Community Resources internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Kitsap Community Resources 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 Kitsap Community Resources internal control over financial reporting and compliance.

Hearthstone CPA Group

Hearthstone CPA Group
Bremerton, WA
July 26, 2022

**KITSAP COMMUNITY RESOURCES
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 with
comparative totals for December 31, 2020**

ASSETS

	2021	2020
Cash and equivalents (including restricted cash)	\$ 657,896	\$ 403,781
Grants and contracts receivable	2,714,780	1,853,763
Miscellaneous receivables	79,282	97,663
Prepaid expenses	7,994	3,804
Investments	26,198	19,880
Inventories	15,989	25,776
Total current assets	3,502,139	2,404,667
Property and equipment, net	14,724,029	15,272,797
Construction in progress	308,278	170,528
Other assets	28,050	28,050
Receivable from estate - noncurrent	40,000	40,000
Total assets	\$ 18,602,496	\$ 17,916,042

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 5,714	\$ 143,172
Payroll taxes and benefits payable	108,884	115,532
Kitsap credit union- PPP loan	-	40,000
Vacation payable	284,430	328,112
Performance obligation	50,000	
Refundable advance	953,413	
Current portion of long-term debt	508,772	522,294
Total current liabilities	1,911,213	1,149,110
Long-term debt (less current portion)	2,559,291	2,633,653
Total liabilities	4,470,504	3,782,763
Net assets		
Without donor restrictions	886,367	512,695
Board designated	1,177,169	1,177,333
Total net assets without donor restrictions	2,063,536	1,690,028
With donor restrictions		
Purpose and time restricted properties	11,828,290	12,308,285
Other restricted donations	240,166	134,966
Total net assets with donor restrictions	12,068,456	12,443,251
Total net assets	14,131,992	14,133,279
Total liabilities and net assets	\$ 18,602,496	\$ 17,916,042

The accompanying notes are an integral part of these financial statements.

KITSAP COMMUNITY RESOURCES
STATEMENTS OF ACTIVITIES
For the year ended December 31, 2021 with
comparative totals for the year ended December 31, 2020

	Without donor restrictions	With donor restrictions	Year ended Dec 31, 2021 Total	Year ended Dec 31, 2020 Total
Revenues				
Grants and contracts	\$ 20,994,517	\$	\$ 20,994,517	\$ 16,230,111
Contributions	133,820	114,767	248,587	306,262
Donated facilities	352,662		352,662	373,822
Donated goods	12,843		12,843	13,985
Rents	209,167		209,167	181,167
Food services	593,331		593,331	624,326
Investment income	7,083		7,083	5,820
AmeriCorps cash match			-	105,750
Child Care	278,781		278,781	234,879
Other income	144,692		144,692	2,544
Net assets released from restrictions:				
Release from time restrictions	479,965	(479,965)		
Satisfaction of usage restriction	9,597	(9,597)		
Total revenues	<u>23,216,458</u>	<u>(374,795)</u>	<u>22,841,663</u>	<u>18,078,666</u>
Expenditures				
Programs:				
Housing and community support	14,342,887		14,342,887	8,916,790
Employment and education and AmeriCorps/community services	849,436		849,436	1,227,570
Early learning and family services	5,390,059		5,390,059	5,683,965
Total grant programs	<u>20,582,382</u>		<u>20,582,382</u>	<u>15,828,325</u>
KCR programs:				
Food services	635,807		635,807	666,554
Other KCR programs	433,512		433,512	405,539
Fundraising	120,802		120,802	140,896
General & administrative	1,070,447		1,070,447	1,177,677
Total KCR programs	<u>2,260,568</u>		<u>2,260,568</u>	<u>2,390,666</u>
Total expenditures	22,842,950		22,842,950	18,218,991
Change in net assets	373,508	(374,795)	(1,287)	(140,325)
Net assets, beginning of year	<u>1,690,028</u>	<u>12,443,251</u>	<u>14,133,279</u>	<u>14,273,604</u>
Net assets, end of year	<u>\$ 2,063,536</u>	<u>\$ 12,068,456</u>	<u>\$ 14,131,992</u>	<u>\$ 14,133,279</u>

The accompanying notes are an integral part of these financial statements.

KITSAP COMMUNITY RESOURCES
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021 with
comparative totals for the year ended December 31, 2020

	KCR PROGRAMS								
	Housing and Community Support	Employment & Education and AmeriCorps\ Community Services	Early Learning and Family Services	Food Services	Other KCR Programs	Fundraising	Central Admin	2021 Total	2020 Total
Salaries - KCR	\$ 1,484,517	\$ 421,981	\$ 2,465,071	\$ 182,872	\$	\$ 78,755	\$ 599,620	\$ 5,232,816	\$ 5,566,083
Program participant salaries									301,928
Payroll taxes - KCR	175,949	45,033	279,579	26,065	7	7,377	61,745	595,755	611,489
Payroll taxes - programs								0	30,325
Medical insurance	366,304	64,040	738,397	50,501	37	10,939	98,295	1,328,513	1,223,896
Retirement	75,434	9,422	151,886	9,328	4	2,872	36,181	285,127	285,755
Other employee benefits	129,943	22,427	204,475	17,062	53	5,545	49,509	429,014	479,746
Total salaries, payroll taxes and benefits	2,232,147	562,903	3,839,408	285,828	101	105,488	845,350	7,871,225	8,499,222
Direct payments	10,485,866	105,189			(452)			10,590,603	5,540,273
WX materials & repairs	729,120							729,120	710,575
Supplies	65,396	2,124	327,381	269,795	318	474	17,913	683,401	628,466
Depreciation	117,337		117,342	15,656	301,497		3,642	555,474	536,442
Occupancy costs	153,670	81,100	133,509	53,617	23,364		66,928	512,188	499,594
In-kind	1,000		364,505					365,505	387,807
Contract services	98,795	11,416	140,972		50,675	4,183	6,995	313,036	376,029
Repair & maintenance	199,003	203	32,448	3,981			989	236,624	143,900
Rentals	37,140	1,779	147,819	3	223		16,649	203,613	234,210
Training	12,403	65,896	55,395				1,935	135,629	143,265
Misc.	3,432	108	85,772	881	2,916	6,414	10,541	110,064	77,814
Utilities	64,512		27,294				5,091	96,897	92,880
Insurance	67,696	(133)	20,559	4,898	2,819			95,839	80,544
Professional services	-		-		13,451		74,387	87,838	53,749
Communication	25,913	9,330	31,745	79	20	837	14,624	82,548	87,967
Computers/software	22,762	2,643	31,264	1,062		1,331	5,183	64,245	18,943
Under (over) allocated expenses	-				38,573			38,573	54,061
Printing	16,184	5,976	1,181	7	7	2,075		25,430	7,592
Travel	9,161	562	11,494				40	21,257	23,631
Interest	-		17,164					17,164	19,451
Advertising	1,350	340	4,807				180	6,677	2,576
	\$ 14,342,887	\$ 849,436	\$ 5,390,059	\$ 635,807	\$ 433,512	\$ 120,802	\$ 1,070,447	\$ 22,842,950	\$ 18,218,991

The accompanying notes are an integral part of these financial statements.

KITSAP COMMUNITY RESOURCES
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2021 with
comparative totals for the year ended December 31, 2020

	Year ended Dec 31, 2021	Year ended Dec 31, 2020
Cash flows from operating activities:		
Change in net assets	\$ (1,287)	\$ (140,325)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	560,355	541,323
Unrealized (gain) loss on investments	(6,318)	(5,518)
PPP loan recognized as income	(40,000)	
(Increase) decrease in:		
Grants and contracts receivable	(861,017)	(401,312)
Miscellaneous receivables	18,381	(28,938)
Prepays	(4,190)	703
Inventories	9,787	(3,228)
Increase (decrease) in:		
Accounts payable and accrued expenses	(187,788)	192,625
Performance obligation	50,000	
Net cash provided (used) by operating activities	<u>(462,077)</u>	<u>155,330</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(149,337)</u>	<u>(423,699)</u>
Cash flows from financing activities:		
Refundable advance	953,413	
Principal payments	(87,884)	(84,623)
PPP loan		40,000
Net cash provided (used) by financing activities	<u>865,529</u>	<u>(44,623)</u>
Net increase (decrease) in cash and restricted cash	254,115	(312,992)
Cash and restricted cash, beginning of year	<u>403,781</u>	<u>716,773</u>
Cash and restricted cash, end of year	<u>\$ 657,896</u>	<u>\$ 403,781</u>
Cash and restricted cash consist of:		
Cash and equivalents	\$ 417,730	\$ 268,815
Restricted cash- programs	<u>240,166</u>	<u>134,966</u>
	<u>\$ 657,896</u>	<u>\$ 403,781</u>
Supplemental cash flow information:		
Interest paid	\$ 93,380	\$ 98,638
Non cash donation of stock	\$	\$ 5,518

The accompanying notes are an integral part of these financial statements.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations: Kitsap Community Resources (KCR) is a nonprofit organization located in Kitsap County, Washington. The Organization provides assistance to low-income people through a variety of local, state, and federally funded programs.

KCR follows generally accepted accounting principles for grant accounting. The accounts are maintained in accordance with the principles of "fund accounting."

Federal Income Taxes: KCR is a nonprofit organization exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. In addition, KCR has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Revenues and Expenditure Recognition: Revenues and expenditures are recorded on the accrual basis. Grants and contract revenues and receivables are recorded to the extent of costs incurred and billable as most grants and contracts are cost reimbursable. Refer to Note 18.

For grants and contracts for which cash advances have been received, these amounts have been included as liabilities and will be recognized as revenue as expenses are incurred and offset against them.

Building Funds: Most of the Agency's programs are located in three facilities. The costs of utilities, maintenance and insurance of the facilities are paid from the building funds. Grants, contracts, and other programs are charged a portion of these costs based upon the space they occupy and the number of employees for common areas.

Financial Statement Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, the amount is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Comparative Financial Statements: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs: Advertising costs are expensed when incurred.

Inventories: Inventories consisting of food and concessions are stated at cost.

Functional Allocation of Expenses: Most expenses are charged directly to program services, central administration, or fundraising based on specific identification. Certain costs have been allocated among the programs and supporting services benefited. Rent and other occupancy costs are allocated based on space usage.

Cash and Cash Equivalents: The Organization considers all cash in checking accounts, savings accounts, and money market funds to be cash and cash equivalents.

Investments: Short-term investments consist of cash, cash equivalents and equity securities. In accordance with AUS 2016-01 and ASC 321 on Equities Securities, the unrealized gain (loss) is recorded as a component of net income.

Reclassifications: Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE 2 – PROGRAMS

KCR operates divisions in housing and community support, employment and education, AmeriCorps and community services, and children early learning and family services.

The housing and community support division provides housing and energy assistance. KCR’s homeless and family services serve the needs of low-income families and individuals who are homeless or at risk of homelessness. These services include emergency and transitional housing, rental assistance, childcare for homeless families, short-term shelter in the form of motel vouchers, and case management. The energy assistance program assists low-income renters and homeowners with their heating and utility bills. KCR’s weatherization and minor home repair program reduces the burden of energy prices for low-income residents by improving the energy efficiency of their homes.

Under the housing and community support division, KCR added a new program in 2019 called Kitsap Connect (285); in 2020 the program’s name changed to Roast (286). This program serves people with mental health issues, coming out of drug rehabilitation, to get them into housing and making sure they are staying on their meds and in rehabilitation.

KCR’s employment and education division provides employment preparation and placement services to improve participants’ work skills and prepare them to obtain employment and achieve career goals. The BEST program works with entrepreneurs who are ready to start a new business or improve an existing one.

KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 – PROGRAMS (CONTINUED)

As of 2019, AmeriCorps became part of the employment and education division. AmeriCorps is a national community service volunteer program in which individuals volunteer in their community for 11 months. The KCR AmeriCorps program offers community service positions in activities including homeland security, elementary and early childhood education, domestic violence prevention, criminal justice, and employment readiness. AmeriCorps members supervise participants in the Kitsap Youth in Action and Community Service Worker programs. This program ended in August 2021.

Under KCR's employment and education division, KCR added a new program in 2019 called Fresh and Healthy (671); it was a pilot program in 2018. The program takes families shopping for food to prepare healthy family meals. Food preparation is done at KCR's commercial kitchen under the guidance of a chef, who also teaches families how to prepare meals within budget. Also, in 2019, KCR added a new program called GED (672). This was a pilot program in 2018. This is a class with a professional instructor, who teaches participants how to prepare for the test.

KCR's early learning and family services division provides children from low-income families with resources and services to improve their health, education, and skill sets through participation in Head Start and Early Childhood Education and Assistance programs. The women, infants and children program assist pregnant mothers and those with children under five by providing foods to supplement diets, information on healthy food choices, medical referrals, and breastfeeding education. The Parenting Place supports families with parenting classes and resources to build strong and nurturing relationships.

NOTE 3 – CONCENTRATION OF CREDIT RISK

KCR maintains cash balances in banks at times in excess of FDIC insured limits. Management has evaluated this risk and considers it to be insignificant.

NOTE 4 – PROPERTY AND EQUIPMENT

KCR follows the practice of capitalizing, at cost, expenditures for property and equipment in excess of \$5,000. Depreciation is computed using a straight-line method over the useful life of the assets, generally 5 to 10 years for vehicles and equipment and 40 years for buildings. Leasehold improvements are being amortized over the shorter of the lease term or useful life. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property and equipment are valued at their estimated fair value on the date donated. Repairs and maintenance are charged to expense as incurred, except for those that materially increase the estimated useful life of an asset. Such expenses are capitalized and depreciated over the estimated useful life of the asset.

None of the grantor agencies specifically imposes restrictions on furniture, fixtures, and equipment purchased with grant funds for programs. KCR is not required to return them to the grantor agencies. The only requirement is to track any single item over \$5,000 that would need prior approval from funding source. KCR performs a physical inventory of fixed assets every two years; the next physical inventory is scheduled in December 2022.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 4 – PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
KCR Service Center	\$ 6,878,121	\$ 6,878,121
Land	1,450,234	1,450,234
KCR Service Center food equipment	215,863	215,863
KCR Service Center furniture	534,308	534,308
Jackson Village Service Center, furniture, housing project and land improvement	5,258,759	5,258,759
Opal Court Apartments	1,385,143	1,385,143
Hewitt Ave. Apartments	871,996	871,996
KCR Center - 1201 Park Ave.	1,107,389	1,107,389
Duplex I & II	355,283	355,283
21 st Street duplex	189,119	189,119
Kendall Street duplex	195,048	195,048
Head Start modular buildings at Poulsbo JH	52,384	52,384
West Hills Learning Center	2,308,610	2,308,610
Moen modular building	238,072	238,072
Parking lot	61,633	61,633
Vehicles	389,537	389,537
Leasehold improvements	143,506	143,506
Equipment, software, furniture	387,454	375,867
Telephone system	128,178	128,178
Accumulated depreciation	<u>(7,426,608)</u>	<u>(6,866,253)</u>
	<u>\$ 14,724,029</u>	<u>\$ 15,272,797</u>

Other assets reported at \$28,050 consist of an artwork donation. This was the estimated cost at the date of gift.

Construction in progress as it relates to the Manette project consisted of the following as of December 31, 2021:

Land and improvements	\$ 60,000	\$ 22,500
Building - professional services	<u>248,278</u>	<u>148,028</u>
	<u>\$ 308,278</u>	<u>\$ 170,528</u>

NOTE 5 – RESTRICTIONS ON PROPERTY

Various grantor agencies have imposed purpose and time restrictions (from 15 years to 40 years) to the following properties. Release of time restrictions is calculated on a straight-line basis of the remaining life of the term restrictions. For financial statements purposes, KCR continues to follow GAAP depreciation method.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 5 – RESTRICTIONS ON PROPERTY (CONTINUED)

The net assets with donor restrictions reported the following restricted properties:

Restricted Properties	<u>2021</u>	<u>2020</u>
21st Street Duplex (Structure)	\$ 21,265	\$ 30,379
21st Street Duplex (Land)	62,020	62,020
Kendall Duplex (Structure)	27,939	37,800
Kendall Duplex (Land)	72,790	72,790
SK Service Center (Structure)	1,881,907	2,002,029
Jackson Village (Housing Units)	1,736,231	1,790,701
Opal Court (Rehab)	502,059	522,551
Hewitt (Structure)	408,276	423,397
Hewitt (Land)	131,240	131,240
9th Street Duplex I (Structure)	54,942	59,169
9th Street Duplex I (Land)	26,000	26,000
12th Street Duplex II (Structure)	66,346	71,001
1201 Park Service Center (Structure)	352,384	370,929
1201 Park Service Center (Land)	196,000	196,000
845 8th Street Service Center	4,428,673	4,600,626
West Hills Early Learning Center	<u>1,860,218</u>	<u>1,911,653</u>
Total Net Assets with Donor Restrictions	\$ <u>11,828,290</u>	\$ <u>12,308,285</u>

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 6 – LONG TERM DEBT

Long term debt consisted of the following as of December 31:

	2021	2020
Loan payable, State of Washington – Department of Community Trade and Economic Development (CTED), Housing Division Home Investment Partnership Program, 0% interest, principal payments amortized over 50 years, \$2,261 annual payments required beginning December 31, 1994, secured by the Duplex 1 property.	\$ 49,263	\$ 51,524
Loan payable, CTED, Housing Assistance Program, 0% interest principal payments amortized over 50 years, \$1,800 annual payments required beginning July 31, 1997, secured by the Duplex II property.	22,909	24,709
Funds received from the State of Washington CTED Housing Trust Fund for the Opal Court rehabilitation in January 2005. No payment due if KCR meets affordable housing requirements for a 40 year commitment period ending July 31, 2045.	478,000	478,000
Funds received in November 2009 from the State of Washington CTED Housing Trust Fund (HTF) for the Hewitt Ave. rehabilitation. No payment due if KCR meets affordable housing requirements for a 40 year commitment period ending October 31, 2049.	279,502	279,502
Funds received in 2013 from the State of Washington Department of Commerce HTF for Jackson Village housing project. The loan is 0% interest with 40 annual payments of \$3,750.	120,000	123,750
845 8th Street 1999 mortgage at 4.375% interest effective March 2019 amortized over the remaining terms with monthly payments of \$11,656 effective April 2019. The loan will mature on March 25, 2024. KCR is required to maintain a Fixed Charge Coverage Ratio of at least 1.05 to 1 at each year-end. KCR was in compliance with this covenant at December 31, 2021.	1,683,778	1,747,436
Commercial business loan dated December 12, 2017 with principal and interest payments of \$3,101 beginning January 25, 2018 with the final payment equal to all unpaid principal and accrued interest on September 26, 2022 maturity date. The interest rate is 4.19%.	434,611	451,026
	3,068,063	3,155,947
Less current portion	(508,772)	(522,294)
Total long-term debt	\$ 2,559,291	\$2,633,653

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 6 – LONG TERM DEBT (CONTINUED)

Principal payments for the next five years consisted of the following as of December 31:

2022	\$	508,772
2023		77,184
2024		1,555,863
2025		7,811
2026		7,811
Thereafter		<u>910,622</u>
	<u>\$</u>	<u>3,068,063</u>

NOTE 7 – LEASE OBLIGATIONS

KCR has entered into various non-cancellable operating leases for office equipment, rentals of office space for various programs and residential rental units for low-income persons for the Housing program.

The minimum future rental commitments under the operating leases consisted of the following as of December 31:

Years Ending December 31,		
2022	\$	116,497
2023		88,530
2024		62,449
2025		15,000
2026		15,000
Thereafter		<u>292,500</u>
	<u>\$</u>	<u>589,976</u>

Rent expense for 2021 and 2020 was approximately \$234,000 and \$254,000, respectively.

NOTE 8 – LINE-OF-CREDIT

In 2018, KCR has established a line of credit with U.S. Bank of Washington in the amount of \$200,000. Interest at 1.0% above the bank's prime rate is due monthly on outstanding borrowings. In January 2020, KCR got approved for \$500,000 with the same interest rate and requirements. At December 31, 2021 and 2020, KCR had no outstanding borrowing. The line-of-credit will mature on September 30, 2022.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 9 – BOARD DESIGNATED NET ASSETS

Board designated funds consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Reserve for accounting computer	\$ 8,164	8,164
Reserve for copier	8,010	8,010
Reserve for van replacement	9,051	9,051
Discretionary reserve	93,639	93,803
Operating reserve	281,171	281,171
Replacement reserve	565,562	565,562
Housing reserve fund	211,572	211,572
Total designated unrestricted net assets	<u>\$ 1,177,169</u>	<u>\$ 1,177,333</u>

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following programs as of December 31:

	<u>2021</u>	<u>2020</u>
Energy	\$ 16,586	\$ 16,480
Support A Student	49,862	32,028
Housing Windfall	2,546	1,810
BE\$T	5,512	5,061
Homeless Housing Center	6,274	6,277
Housing Solutions- Bainbridge	13,127	13,127
Manette Project	103,001	23,086
Financial Literacy	15,352	11,852
WIC (Investment Income)	15,843	11,188
STEM Projects	2,000	2,000
Kinship Donation	2,263	-
The Parenting Place	7,800	12,057
Total net assets with donor restrictions	<u>\$ 240,166</u>	<u>\$ 134,966</u>

NOTE 11 – PENSION PLAN

Effective January 1, 2002, the Organization converted the pension plan from a 403(b) Simplified Employee Pension Plan to a 401(k) Profit Sharing Plan. New employees are eligible to participate in the plan after one year of service. The Organization will continue to make discretionary contributions to the plan. The contribution for 2021 and 2020 was 6.5% of employee compensation, respectively. The total employer contribution for 2021 and 2020 was \$289,681 and \$289,825, respectively. In addition, the participants may also defer a percentage of their compensation.

KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 12 – UNCERTAIN TAX POSITIONS

KCR has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles (GAAP). The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, KCR has not recorded any reserve, or related accruals for interest and penalties for uncertain tax positions at December 31, 2021.

KCR is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to December 31, 2018.

NOTE 13 – FAIR VALUE MEASUREMENT

The Financial Accounting Standards Board (FASB) issued ASC 820 in order to establish a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements. FASB ASC 820 also expands disclosures about fair value measurements.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization's investments as of December 31, 2021 and 2020 consist of equity securities valued at \$26,498 and \$19,880, respectively. Unrealized gain in 2021 and 2020 was \$6,618 and \$5,518, respectively.

All fair values for equities and fixed income investments were determined under Level 1 inputs. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term

NOTE 14 – DONATED GOODS, FACILITIES AND SERVICES

Donated goods are valued at estimated fair market value at date of donation. Donated facilities represent the estimated fair rental value of office and classroom space.

The donation of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended December 31, 2021, there were no donated services meeting the requirements for recognition in the financial statements; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services. KCR tracks volunteer hours because the value is used as an in-kind match to comply with some grant requirements. volunteer hours are valued depending on type of service provided. Volunteer service was valued as follows as of December 31, 2021.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 14 – DONATED GOODS, FACILITIES AND SERVICES (CONTINUED)

	2021	2020
Head Start	\$ 364,379	\$ 384,853
ECEAP	126	487
Central Administration	1,000	2,467
	\$ 365,505	\$ 387,807

NOTE 15 – RECEIVABLE FROM ESTATE

KCR was named as a beneficiary in a Last Will and Testament dated July 1, 2010. The donor passed away in June 2015 and KCR's share of the estate was \$348,860. KCR received payment of \$262,065 in 2018 and wrote off an uncollectible amount of \$11,795 at December 31, 2018. The outstanding balance as of December 31, 2021 and 2020 was \$40,000 and \$40,000, respectively.

NOTE 16 – DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through July 26, 2022, which is the date the financial statements were available to be issued. Management concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

NOTE 17 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

KCR has established policies to help ensure the long-term financial stability of KCR and to position it to respond to varying economic conditions and changes affecting its financial position and ability to continuously carry out its mission. KCR maintains a reserve policy to achieve the following objectives:

1. To enable KCR to sustain operations through delays in payments of committed funding and to accept reimbursable contracts and grants without jeopardizing operations.
2. To promote public and funder confidence in the long-term sustainability of KCR by preventing chronic cash flow crises that can diminish its reputation and force its leaders to make expensive, short-term, crisis-based decisions.
3. To maintain an external line of credit to manage cash flow and maintain financial flexibility.
4. To be able to take advantage of mission-related opportunities that may require a financial investment.
5. To help cover expenses in the case of an unanticipated program termination, significant loss of funding or other such conditions.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 17 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

Total financial assets consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Cash	\$ 657,896	\$ 403,781
Grants and contracts receivable	2,714,780	1,853,763
Miscellaneous receivables	79,282	97,663
Equities investment	<u>26,198</u>	<u>19,880</u>
	3,478,156	2,375,087
Less those unavailable for general expenditures within one year, due to:		
Purpose restrictions	<u>(240,166)</u>	<u>(134,966)</u>
Financial assets available to meet cash needs for general expenditure within one year before board designations	3,237,990	2,240,121
Board designated reserves	<u>(1,177,169)</u>	<u>(1,177,333)</u>
Financial assets available to meet cash needs for general expenditure within one year after board designations	<u>\$ 2,060,821</u>	<u>\$ 1,062,788</u>

The above schedule depicts the donors' restricted cash in accordance with ASU 2016-18.

NOTE 18 – RECENTLY ISSUED ACCOUNTING STANDARDS (ASU) IMPLEMENTAION

The Organization adopted the revenue recognition Topic 606 on January 1, 2020. The core principle is that revenue recognition should "depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services." To accomplish this objective, the Organization has to apply a five-step approach:

- Identify the contract with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when (or as) the Organization satisfies a performance obligation.

Revenues that come from interest income and investment returns are outside the scope of ASC 606. The Organization believes that the rental income stream, such as from transitional housing, is exempted from compliance with ASC Topic 606 due to its inclusion under the current and future lease standard. Grants and contracts are on cost reimbursement basis with very few exceptions as noted below.

Revenue streams subject to revenue recognition ASC Topic 606 include food services, childcare, other income, and "fee for service" generated by a few programs. Judgment is required in the determination of these fees and may change overtime.

Management determined that ASC Topic 606 has no significant impact on its revenue recognition accounting policy and procedures.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 19 - RECENTLY ISSUED ACCOUNTING STANDARDS (ASU) AND DEVELOPMENTS

ASU 2016-02, Leases (Topic 842) - The Organization is evaluating the impact of FASB ASU No. 2016-02 will have on its financial statements and disclosures.

ASU 2020-07, Non-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, deals with gifts-in-kind. It requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities with expanded disclosures. It must be applied retrospectively effective for fiscal year beginning after June 15, 2021. Early adoption is permitted. KCR did not early adopt this ASU.

NOTE 20 – RISKS AND UNCERTAINTIES

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

In 2020, because KCR’s services are considered essential, it was business as usual but instituted masks and social distancing as mandated by the government. As KCR entered the year 2021 through the date of this report, the board and management continue to actively monitor the situation on its financial condition, liquidity, operations, and the industry in which it operates.

NOTE 21 – PPP LOAN (PAYCHECK PROTECTION PROGRAM)

On May 17, 2020, the Organization (the “Borrower”), received loan (the “Loan”) proceeds in the amount of \$40,000 from Kitsap Credit Union under the Paycheck Protection Program (the “PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) that was established on March 27, 2020, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The PPP loan was forgiven in 2021 and therefore recognized as income during 2021.

NOTE 22 – COMMITMENT AND CONTINGENCIES

Grants

Because the organization received government funding (Federal and State), there is always the possibility that the government agency will perform an audit and determine that certain costs are disallowable. Therefore, there might be potential liability.

Manette Project Fund 870

KCR signed a contract in May 2019 to purchase a vacant land for \$499,950 in East Bremerton. It will be used to build three triplexes of low-income housing.

KCR paid a total of \$37,500 and \$22,500 from unrestricted funds towards the land purchase in 2021 and 2020, respectively. The seller agreed to extend the purchase settlement closing to the end of 2022 with KCR making quarterly payments of \$7,500. This will allow KCR more time to obtain and secure funding for this purchase.

**KITSAP COMMUNITY RESOURCES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 22 – COMMITMENT AND CONTINGENCIES (CONTINUED)

KCR incurred additional expenses in 2021 and 2020 of \$100,250 and \$148,028 for professional services. Total expenses for this project (land and building) as of December 31, 2021 and 2020 were \$308,278 and \$170,528. Refer to Note 4. These amounts were capitalized at December 31, 2021 and 2020 respectively and reported as construction in progress.

KCR is currently working on securing several grants funding from the City, County, State, and Federal agencies to fund both the land and building construction. The goals are to secure these grants by obtaining signed contracts from the grantor agencies, commence the building construction with a target completion date of 2022.

NOTE 23 – REFUNDABLE ADVANCE

KCR received an advance of \$1,500,000 from Kitsap County to manage cash flow and costs associated with the Federal COVID-19 CARES Emergency Rental Assistance Program (K-RAP) operated and managed by KCR. Billed receivables collected for program costs are deposited to a separate bank account for purposes of cash management and segregation.

**KITSAP COMMUNITY RESOURCES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Agency (Pass-Through Agency) and Federal Program	Period End	CFDA Number	Other Award number	Expenditures		
				From Pass-Through Awards	From Direct Awards	Total
<u>Dept. of Treasury</u>						
(Pass-Through WA State Dept. of Commerce):						
COVID-19 Emergency Rental Assistant Program	9/30/23	21.019	KC-271-21	\$ 4,517,627		\$ 4,517,627
COVID-19 Treasury Rent Assistance Program	12/31/21	21.019	KC-211-21	3,188,392		3,188,392
COVID-19 Emergency Rental Assistant Program	6/30/21	21.019	KC-351-20	1,693,328		1,693,328
COVID-19 Low-Income Home Energy Assistance Program	12/31/21	21.019	20-326CC-065	169,693		169,693
Total Dept. of Treasury				\$ 9,569,040		\$ 9,569,040
<u>Dept. of Health and Human Services</u>						
Direct Awards:						
Head Start	6/30/21	93.600	10CH010928-02		2,001,736	2,001,736
	6/30/22	93.600	10CH010928-03		1,785,475	1,785,475
COVID-19 Head Start	6/30/21	93.600	10CH110928C3		166,683	166,683
COVID-19 Head Start CRSSA	3/31/23	93.600	10HE000918-01-00		89,087	89,087
Head Start ARP	3/31/23	93.600	10HE000918-01-01		31,632	31,632
					\$ 4,074,613	\$ 4,074,613
Kinship Cares	12/31/21	93.052	KC-234-20	4,326		4,326
Community Jobs	6/30/21	93.558	S20-32710-026	136,702		136,702
	6/30/23	93.558	S22-32710-026	87,281		87,281
Low-Income Home Energy Assistance Program-EAP	9/30/21	93.568	F20-32606-065	300,033		300,033
COVID-19 Low-Income Home Energy Assistance Program	9/30/21	93.568	20-3260C-065	82,605		82,605
Low-Income Home Weatherization Assistance Program-WAP	9/30/22	93.568	F19-53101-414	229,991		229,991
Low-Income Home Weatherization Assistance Program-ARP	9/30/22	93.568	F21-5310C-414	59,007		59,007
Low-Income Home Energy Assistance Program-ARP	9/30/23	93.568	21-3260A-065	93,063		93,063
Community Service Block Grant	9/30/21	93.569	F21-32101-014	241,021		241,021
COVID-19 Community Services Block Grant CARES	9/30/22	93.569	F20-3210C-014	159,187		159,187
				\$ 1,393,216		\$ 1,393,216
Total Dept. of Health and Human Services				\$ 1,393,216	\$ 4,074,613	\$ 5,467,829

**KITSAP COMMUNITY RESOURCES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Dept. of Housing and Urban Development

(Pass-Through City of Bremerton):							
Community Development Block Grant-Weatherization	12/31/21	14.218	632117	\$	50,000	\$	50,000
CDBG Entitlement BEST City	12/31/21	14.218	631905		13,474		13,474
(Pass-Through Kitsap County):							
CDBG Entitlement BEST County	12/31/21	14.218	KC-415-21		75,334		75,334
Community Development Block Grant-Weatherization	12/31/21	14.218	KC-416-21		200,000		200,000
COVID-19 Community Development Block Grant	6/30/23	14.218	KC-245-20		136,400		136,400
(Pass-Through Bremerton Housing Authority):							
Housing	6/30/20	14.235	N/A		2,173		2,173
	6/30/21	14.235	N/A		55,344		55,344
	6/30/22	14.235	N/A		29,689		29,689
(Pass-Through State of Washington Community, Trade, and Economic Development):							
Home Investment Partnership Loan-Duplex 1		14.239	5-92-416-5		51,524		51,524
Total Dept. of Housing and Urban Development					<u>\$ 613,938</u>		<u>\$ 613,938</u>

Dept. of Energy

(Pass-Through WA State Dept. of Commerce):							
Weatherization Assistance for Low-Income Persons	6/30/21	81.042	F19-53103-414	\$	111,338	\$	111,338
Weatherization Assistance for Low-Income Persons	6/30/22	81.042	F21-53103-414		52,820		52,820
Total Dept. of Energy					<u>\$ 164,158</u>		<u>\$ 164,158</u>

Corporation for National and Community Service

(Pass-Through Service Washington):							
Americorps	8/31/21	94.006	K3221		60,142		60,142
Total Corporation for National and Community Service					<u>\$ 60,142</u>		<u>\$ 60,142</u>

Dept. of Labor

(Pass-Through Kitsap County):							
WIOA	6/30/21	17.258	KC-265-20	\$	130,467		130,467
WIOA	6/30/22	17.258	KC-386-21		121,108		121,108
WIOA DWIE	6/30/21	17.258	KC-029-20		17,634		17,634
WIOA CARES	3/31/22	17.277	KC-380-20		44,729		44,729
Total Dept. of Labor					<u>\$ 313,938</u>		<u>\$ 313,938</u>

**KITSAP COMMUNITY RESOURCES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

United States Dept. of Agriculture

(Pass-Through State Dept. of Social and Health Services):

Special Supplemental Food Program for Women, Infants, and Children	12/31/22	10.557	CBO25568-0	\$	742,566	\$	742,566
(WIC)	12/31/22	10.557	CBO25568-0		1,040		1,040
				\$	743,606	\$	743,606

(Pass-Through State Dept. of Public Instruction):

Child Care Food Program (Head Start & ECEAP)	9/30/21	10.558	18-07-0256	\$	50,215	\$	50,215
Child Care Food Program (Head Start & ECEAP)	9/30/22	10.558	18-07-0256		22,259		22,259
Child Care Food Program EOC Program	12/31/21	10.558	Unknown		21,464		21,464
				\$	93,938	\$	93,938

Total United States Dept. of Agriculture

				\$	837,544	\$	837,544
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Total Expenditures of Federal Awards

				\$	12,951,976	\$	4,074,613	\$	17,026,589
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**KITSAP COMMUNITY RESOURCES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Kitsap Community Resources under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Kitsap Community Resources, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Kitsap Community Resources.

Note 2 – Basis of Accounting

This schedule is prepared on the same basis of accounting as Kitsap Community Resources' financial statements. The Organization uses accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Note 3 – Indirect Cost Rate

KCR did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. KCR has negotiated an approved 8.8 % indirect cost rate in accordance with the requirements of the Federal awards to which they apply and with 2 CFR Subpart E-Cost Principles of Part 200.

Note 4 – Loans

The expenditure reported for HOME Investment Partnership Program – Duplex 1 loan balance at January 1, 2021. The loan balance outstanding as of December, 2021 is \$49,263.

Note 5 – Award Identification Number Unavailable (N/A)

KCR was unable to obtain an identification number.

**KITSAP COMMUNITY RESOURCES
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Grantor (Pass-Through Agency) and Program Title	Period End	Identification Number	Amount
<u>Washington State Dept. of Commerce:</u>			
(Pass-Through Kitsap County):			
Consolidated Housing Grant	6/30/21	KC-449-19	\$ 269,631
Consolidated Housing Grant	6/30/23	KC-536-21	129,027
Homeless Housing Center	6/30/21	KC-448-19	229,194
Homeless Housing Center	6/30/23	KC-535-21	191,740
AHGP/HHGP Shelter Services	12/31/21	KC-072-20	71,597
AHGP/HHGP Transitional Housing/Case Management	12/31/21	KC-084-20	194,333
			<u>1,085,522</u>
State CSBG	6/30/21	S20-32101-214	20,656
Energy Matchmaker	6/30/21	S19-92401-414	142,985
Energy Matchmaker	6/30/23	S21-92401-414	7,609
Asset Building	6/30/21	S20-32010-010	2,467
			<u>173,717</u>
Total Washington State Dept. of Commerce			<u>\$ 1,259,239</u>
<u>State of Washington/Salish Behavioral Services Organization:</u>			
(Pass-Through Kitsap County):			
HARPS	6/30/22	KC-133-20	\$ 483,098
Total State of Washington/Salish Behavioral Services Organization			<u>\$ 483,098</u>
<u>Washington State Dept. of Social and Health Services:</u>			
GED	6/30/21	1912-52965	\$ 3,469
GED	6/30/23	2112-21072	3,588
Microenterprise	6/7/21	Unknown	12,750
Microenterprise COVID	6/30/21	Unknown	32,250
Workfirst - Job Readiness	6/30/21	1912-52966	33
Workfirst - Job Readiness	6/30/23	2112-21071	4,673
			<u>56,763</u>
Total Washington State Dept. of Social and Health Services			<u>\$ 56,763</u>
<u>Washington State Dept. of Children, Youth & Families:</u>			
Early Childhood Education and Assistance Programs (ECEAP)	6/30/21	20-1071	333,202
Child Care Stabilization Grant			57,500
Total Washington State Dept. of Early Learning			<u>\$ 390,702</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,189,802</u>



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David H. Ball, CPA (retired)
Dennis R. Treger, CPA

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

To the Board of Directors
Kitsap Community Resources
Bremerton, Washington

We have audited, in accordance with the 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 Kitsap Community Resources (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 26, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kitsap Community Resource'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kitsap Community Resource's internal control. Accordingly, we do not express an opinion on the effectiveness of Kitsap Community Resource'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 entity'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kitsap Community Resource'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hearthstone CPA Group

Hearthstone CPA Group

Bremerton, WA

July 26, 2022



Hearthstone CPA Group

Certified Public Accountants

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Dennis R. Treger, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Kitsap Community Resources
Bremerton, Washington

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kitsap Community Resources (a nonprofit organization), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kitsap Community Resources (a nonprofit organization), major federal programs for the year ended December 31, 2021. Kitsap Community Resources major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kitsap Community Resources (a nonprofit organization), complied, in all material respects, with the 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; 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). Our responsibilities under those standards and the 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 Kitsap Community Resources and to meet our other ethical responsibilities, in accordance with 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 of Kitsap Community Resources 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 Kitsap Community Resources 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 Kitsap Community Resources' 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting 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 judgment made by a reasonable user of the report on compliance about Kitsap Community Resources' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- 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 Kitsap Community Resources' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kitsap Community Resources' 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 Kitsap Community Resources' internal control over compliance. Accordingly, no such opinion is expressed.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs identified as **2021-01**. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Kitsap Community Resources response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Kitsap Community Resources response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs identified as **2021-02**.

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 Kitsap Community Resources response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Kitsap Community Resources response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Hearthstone CPA Group

Hearthstone CPA Group

Bremerton, WA

July 26, 2022

**KITSAP COMMUNITY RESOURCES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2021**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Kitsap Community Resources.
2. No significant deficiencies were disclosed during the audit of the financial statements of Kitsap Community Resources.
3. No instances of noncompliance material to the financial statements of Kitsap Community Resources were disclosed during the audit.
4. The programs tested as a major program were:

<u>CFDA</u>	<u>Program</u>
21.019	COVID-19 Emergency Rental Assistance Programs
93.600	Head Start
5. The threshold for distinguishing Types A and B programs was \$750,000.
6. Kitsap Community Resources was determined to be a low-risk auditee.
7. Two significant deficiencies relating to the audit of the major federal award programs reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance."
8. The auditor's report on compliance for the major federal award programs are not modified with respect for Kitsap Community Resources expresses an unmodified opinion.
9. No audit findings relative to the major federal award programs for Kitsap Community Resources were noted.

**KITSAP COMMUNITY RESOURCES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2021**

Questioned
Cost

COVID-19 Emergency Rental Assistance Program – CFDA 21.019

2021-01 **Criteria and Condition:** Grant is funded through the Federal CARES Act from the Department of Treasury to Washington State Department of Commerce to Kitsap County and then to sub-recipient Kitsap Community Resources. Grant funding supports activities that will reduce the likelihood of eviction among low-income households, with a focus on ensuring that historically underserved populations have information about, and access to this resource.

Context: Kitsap Community Resources (KCR) has multiple contracts with Kitsap County (the County) to provide homeless and housing services as well as other human welfare services. A program known as Kitsap Eviction Prevention Assistance (KEPA) run by the County was established to assist households with submitting KEPA applications. In addition to contracting with KCR the County also utilizes what's known as "by and for" organizations (referring agencies) to assist households with preparation and submission of KEPA applications to KCR. KCR follows the policies and documentation requirements of the Washington State Department of Commerce and KCR's policy is to qualify KEPA applicants whenever possible.

Cause: There were numerous rule changes, referring agencies were assisting prepare client applications, multiple housed residents were being moved, staff turnover, and lack of training on updated rules, were contributing factors.

Effect: During early summer of 2021, a temporary housing location was needed to relocate a number of local residents until a more permanent location was ready. Referring agencies requested the County and KCR help existing clients that would be displaced. Some of these clients had already been helped by KCR's eviction prevention program. After various conversations regarding this matter KCR determined that some clients had credits on their account, a number of long-term residents changed multiple times, and the number of clients that were requesting further assistance could not be verified.

As a result of these issues KCR identified one hotel property and commenced an internal audit of the hotel property with their cooperation. The results of the findings; KCR overpaid rent totaling \$114,960 to the hotel property.

The hotel property agreed with the audit findings and KCR received a full refund of the \$114,960 on 9/14/2021 the refund was deposited into KCR's bank account. KCR subsequently issued a reimbursement check #52696 to the County on 9/30/21.

As of the date of our audit report, check #52696 issued to the County remains outstanding and has not been deposited by the County despite email communication that KCR would be sending a check to the County for subsequent reimbursement to the Department of Commerce.

This is considered a significant deficiency of non-compliance. However please note, we do not report a dollar finding as this mistake was detected by KCR and KCR was reimbursed in whole.

Recommendation: Established policies and procedures should be followed and updated as rules change. Training should be a priority. KCR should follow up with the County in a timely manner when checks become stale.

KITSAP COMMUNITY RESOURCES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2021

Questioned
Cost

COVID-19 Emergency Rental Assistance Program – CFDA# 21.019

2021-02

Criteria and Condition: Grant is funded through the Federal CARES Act from the Department of Treasury to Washington State Department of Commerce to Kitsap County and then to sub-recipient Kitsap Community Resources. Grant funding supports activities that will reduce the likelihood of eviction among low-income households, with a focus on ensuring that historically underserved populations have information about, and access to this resource.

Context: Kitsap Community Resources (KCR) has multiple contracts with Kitsap County (the County) to provide homeless and housing services as well as other human welfare services. A program known as Kitsap Eviction Prevention Assistance (KEPA) run by the County has several funding sources for rental assistance. Programs funded by the CARES Act to provide rental assistance were ramped up during 2021.

KCR has written policies and procedures in place that are updated as changes take place. In addition to the written policies and procedures KCR utilizes multipage forms from the Washington State Department of Commerce to document program eligibility. Intake is handled by staff in the KCR housing department. Once staff completes the paperwork it is sent to fiscal with a purchase order for payment. Upon receiving the documents from the housing department fiscal undertakes a review of the documentation before final approval and payment. If errors are discovered documents are returned to staff in housing for necessary corrections.

During our audit to include inquiry, inspection, and observation, we became aware of a high number of documents submitted by housing to fiscal that were reviewed and returned to housing to correct application errors.

Cause: During this period of time there were numerous rule changes, lack of training on rule changes, and staff turnover, were contributing factors.

Effect: There is an increased risk of mistakes not being detected by fiscal if housing continues to make errors related to eligibility for housing assistance. This is considered a significant deficiency of internal control in the housing department.

Recommendation: Staff in housing require additional training to increase their knowledge and eliminate mistakes. Staff must review their work for errors before submitting to fiscal.

**KITSAP COMMUNITY RESOURCES
CORRECTIVE ACTION PLAN
For the year ended December 31, 2021**

COVID-19 Emergency Rental Assistance Program – CFDA# 21.019

Finding 2021-01

Views of Responsible Officials and Planned Corrective Actions:

Responsible Official: Imrgard Davis, CPA
Completion Date: September 30, 2021

KCR agrees with the finding and has updated policies to prevent residents and property owners from receiving improper payment and reimbursement. Further KCR has communicated the County regarding the stale check. The County requested a replacement check and KCR has issued the replacement check.

**KITSAP COMMUNITY RESOURCES
CORRECTIVE ACTION PLAN
For the year ended December 31, 2021**

COVID-19 Emergency Rental Assistance Program – CFDA# 21.019

FINDING 2021-02

Views of Responsible Officials and Planned Corrective Actions:

Responsible Official: Imrgard Davis, CPA
Completion Date: Ongoing

KCR agrees with the finding and is in the process of improving procedures to ensure eligible tenants receive payments in accordance with contract requirements. Training is being updated and provided to KCR staff to increase knowledge and awareness of contract requirements

**KITSAP COMMUNITY RESOURCES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended December 31, 2021**

NONE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/27/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of Washington, Inc. 227 NW Lindvig Way Poulsbo WA 98370		CONTACT NAME: Deana McIntyre PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: Deana.McIntyre@bbrown.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Philadelphia Indemnity Insurance Company	NAIC # 18058
INSURED		INSURER B:	
Kitsap Community Resources 845 8th Street Bremerton WA 98337		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

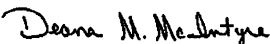
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:		Y	PHPK2513661	01/27/2023	01/27/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2513661	01/27/2023	01/27/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE			PHUB849820	01/27/2023	01/27/2024	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	PHPK2513661	01/27/2023	01/27/2024	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Directors & Officers Liability			PHSD1761280	01/27/2023	01/27/2024	Limit 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: All operations of the named insured for Kitsap County Department of Human Services. Kitsap County Department of Human Services is included as additional insured, as required by written contract, per attached policy form PI-GLD-HS (10/11).

CERTIFICATE HOLDER

CANCELLATION

Kitsap County Department of Human Services 345 - 6th St., Ste. 400 Bremerton WA 98337	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**GENERAL LIABILITY DELUXE ENDORSEMENT:
HUMAN SERVICES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement. The following is a summary of the Limits of Insurance and additional coverages provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance -	Page #
Extended Property Damage	Included	2
Limited Rental Lease Agreement Contractual Liability	\$50,000 limit	2
Non-Owned Watercraft	Less than 58 feet	2
Damage to Property You Own, Rent, or Occupy	\$30,000 limit	2
Damage to Premises Rented to You	\$1,000,000	3
HIPAA	Clarification	4
Medical Payments	\$20,000	5
Medical Payments – Extended Reporting Period	3 years	5
Athletic Activities	Amended	5
Supplementary Payments – Bail Bonds	\$5,000	5
Supplementary Payment – Loss of Earnings	\$1,000 per day	5
Employee Indemnification Defense Coverage	\$25,000	5
Key and Lock Replacement – Janitorial Services Client Coverage	\$10,000 limit	6
Additional Insured – Newly Acquired Time Period	Amended	6
Additional Insured – Medical Directors and Administrators	Included	7
Additional Insured – Managers and Supervisors (with Fellow Employee Coverage)	Included	7
Additional Insured – Broadened Named Insured	Included	7
Additional Insured – Funding Source	Included	7
Additional Insured – Home Care Providers	Included	7
Additional Insured – Managers, Landlords, or Lessors of Premises	Included	7
Additional Insured – Lessor of Leased Equipment	Included	7
Additional Insured – Grantor of Permits	Included	8
Additional Insured – Vendor	Included	8
Additional Insured – Franchisor	Included	9
Additional Insured – When Required by Contract	Included	9
Additional Insured – Owners, Lessees, or Contractors	Included	9
Additional Insured – State or Political Subdivisions	Included	10

Duties in the Event of Occurrence, Claim or Suit	Included	10
Unintentional Failure to Disclose Hazards	Included	10
Transfer of Rights of Recovery Against Others To Us	Clarification	10
Liberalization	Included	11
Bodily Injury – includes Mental Anguish	Included	11
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included	11

A. Extended Property Damage

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Subsection 2. Exclusions, Paragraph a. is deleted in its entirety and replaced by the following:

a. Expected or Intended Injury

"Bodily injury" or property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

B. Limited Rental Lease Agreement Contractual Liability

SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Subsection 2. Exclusions, Paragraph b. Contractual Liability is amended to include the following:

- (3) Based on the named insured's request at the time of claim, we agree to indemnify the named insured for their liability assumed in a contract or agreement regarding the rental or lease of a premises on behalf of their client, up to \$50,000. This coverage extension only applies to rental lease agreements. This coverage is excess over any renter's liability insurance of the client.

C. Non-Owned Watercraft

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Subsection 2. Exclusions, Paragraph g. (2) is deleted in its entirety and replaced by the following:

- (2) A watercraft you do not own that is:
- (a) Less than 58 feet long; and
 - (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess or contingent.

D. Damage to Property You Own, Rent or Occupy

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE

LIABILITY, Subsection **2. Exclusions**, Paragraph **j. Damage to Property**, Item **(1)** is deleted in its entirety and replaced with the following:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property, unless the damage to property is caused by your client, up to a \$30,000 limit. A client is defined as a person under your direct care and supervision.

E. Damage to Premises Rented to You

1. If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to "fire, lightning, explosion, smoke, or leakage from automatic fire protective systems" where it appears in:

- a. The last paragraph of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**; is deleted in its entirety and replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is deleted in its entirety and replaced by the following:

Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems while rented to you or temporarily occupied by you with permission of the owner.

- c. **SECTION V – DEFINITIONS**, Paragraph 9.a., is deleted in its entirety and replaced by the following:

A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

2. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection **4. Other Insurance**, Paragraph **b. Excess Insurance**, **(1) (a) (II)** is deleted in its entirety and replaced by the following:

That is insurance for fire, lightning, explosion, smoke, or leakage from automatic fire protective systems for premises rented to you or temporarily occupied by you with permission of the owner;

3. The Damage To Premises Rented To You Limit section of the Declarations is amended to the greater of:

- a. \$1,000,000; or
- b. The amount shown in the Declarations as the Damage to Premises Rented to You Limit.

This is the most we will pay for all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke, or leaks from automatic fire protective systems or any combination thereof.

F. HIPAA

SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, is amended as follows:

1. Paragraph **1. Insuring Agreement** is amended to include the following:

We will pay those sums that the insured becomes legally obligated to pay as damages because of a "violation(s)" of the Health Insurance Portability and Accountability Act (HIPAA). We have the right and the duty to defend the insured against any "suit," "investigation," or "civil proceeding" seeking these damages. However, we will have no duty to defend the insured against any "suit" seeking damages, "investigation," or "civil proceeding" to which this insurance does not apply.

2. Paragraph **2. Exclusions** is amended to include the following additional exclusions:

This insurance does not apply to:

a. Intentional, Willful, or Deliberate Violations

Any willful, intentional, or deliberate "violation(s)" by any insured.

b. Criminal Acts

Any "violation" which results in any criminal penalties under the HIPAA.

c. Other Remedies

Any remedy other than monetary damages for penalties assessed.

d. Compliance Reviews or Audits

Any compliance reviews by the Department of Health and Human Services.

3. **SECTION V – DEFINITIONS** is amended to include the following additional definitions:

- a. "Civil proceeding" means an action by the Department of Health and Human Services (HHS) arising out of "violations."
- b. "Investigation" means an examination of an actual or alleged "violation(s)" by HHS. However, "investigation" does not include a Compliance Review.
- c. "Violation" means the actual or alleged failure to comply with the regulations included in the HIPAA.

G. Medical Payments – Limit Increased to \$20,000, Extended Reporting Period

If **COVERAGE C MEDICAL PAYMENTS** is not otherwise excluded from this Coverage Part:

1. The Medical Expense Limit is changed subject to all of the terms of **SECTION III - LIMITS OF INSURANCE** to the greater of:

- a. \$20,000; or
- b. The Medical Expense Limit shown in the Declarations of this Coverage Part.

2. **SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS**, Subsection 1. **Insuring Agreement**, a. (3) (b) is deleted in its entirety and replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident.

H. Athletic Activities

SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS, Subsection 2. **Exclusions**, Paragraph e. **Athletic Activities** is deleted in its entirety and replaced with the following:

e. Athletic Activities

To a person injured while taking part in athletics.

I. Supplementary Payments

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS - COVERAGE A AND B are amended as follows:

1. **b.** is deleted in its entirety and replaced by the following:

1. **b.** Up to \$5000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these.

- 1.**d.** is deleted in its entirety and replaced by the following:

1. **d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

J. Employee Indemnification Defense Coverage

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B the following is added:

We will pay, on your behalf, defense costs incurred by an "employee" in a criminal proceeding occurring in the course of employment.

The most we will pay for any "employee" who is alleged to be directly involved in a criminal proceeding is \$25,000 regardless of the numbers of "employees," claims or "suits" brought or persons or organizations making claims or bringing "suits."

K. Key and Lock Replacement – Janitorial Services Client Coverage

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B is amended to include the following:

We will pay for the cost to replace keys and locks at the "clients" premises due to theft or other loss to keys entrusted to you by your "client," up to a \$10,000 limit per occurrence and \$10,000 policy aggregate.

We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that you or any of your partners, members, officers, "employees", "managers", directors, trustees, authorized representatives or any one to whom you entrust the keys of a "client" for any purpose commit, whether acting alone or in collusion with other persons.

The following, when used on this coverage, are defined as follows:

a. "Client" means an individual, company or organization with whom you have a written contract or work order for your services for a described premises and have billed for your services.

b. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you; or

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you.

(3) "Employee" does not mean:

(a) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(b) Any "manager," director or trustee except while performing acts coming within the scope of the usual duties of an "employee."

c. "Manager" means a person serving in a directorial capacity for a limited liability company.

L. Additional Insureds

SECTION II – WHO IS AN INSURED is amended as follows:

1. If coverage for newly acquired or formed organizations is not otherwise excluded from this

Coverage Part, Paragraph 3.a. is deleted in its entirety and replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.
2. Each of the following is also an insured:
 - a. **Medical Directors and Administrators** – Your medical directors and administrators, but only while acting within the scope of and during the course of their duties as such. Such duties do not include the furnishing or failure to furnish professional services of any physician or psychiatrist in the treatment of a patient.
 - b. **Managers and Supervisors** – Your managers and supervisors are also insureds, but only with respect to their duties as your managers and supervisors. Managers and supervisors who are your “employees” are also insureds for “bodily injury” to a co-“employee” while in the course of his or her employment by you or performing duties related to the conduct of your business.

This provision does not change Item 2.a.(1)(a) as it applies to managers of a limited liability company.

- c. **Broadened Named Insured** – Any organization and subsidiary thereof which you control and actively manage on the effective date of this Coverage Part. However, coverage does not apply to any organization or subsidiary not named in the Declarations as Named Insured, if they are also insured under another similar policy, but for its termination or the exhaustion of its limits of insurance.
- d. **Funding Source** – Any person or organization with respect to their liability arising out of:
 - (1) Their financial control of you; or
 - (2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

- e. **Home Care Providers** – At the first Named Insured's option, any person or organization under your direct supervision and control while providing for you private home respite or foster home care for the developmentally disabled.
- f. **Managers, Landlords, or Lessors of Premises** – Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased or rented to you subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any “occurrence” which takes place after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.
- g. **Lessor of Leased Equipment – Automatic Status When Required in Lease Agreement With You** – Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or

organization is an insured only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

- h. Grantors of Permits** – Any state or political subdivision granting you a permit in connection with your premises subject to the following additional provision:
- (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with the premises you own, rent or control and to which this insurance applies:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures;
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.
- i. Vendors** – Only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:
- (1) The insurance afforded the vendor does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Sub-paragraphs (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing.
- j. **Franchisor** – Any person or organization with respect to their liability as the grantor of a franchise to you.
- k. **As Required by Contract** – Any person or organization where required by a written contract executed prior to the occurrence of a loss. Such person or organization is an additional insured for "bodily injury," "property damage" or "personal and advertising injury" but only for liability arising out of the negligence of the named insured. The limits of insurance applicable to these additional insureds are the lesser of the policy limits or those limits specified in a contract or agreement. These limits are included within and not in addition to the limits of insurance shown in the Declarations
- i. **Owners, Lessees or Contractors** – Any person or organization, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - (1) Your acts or omissions; or
 - (2) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured when required by a contract.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

m. State or Political Subdivisions – Any state or political subdivision as required, subject to the following provisions:

- (1) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit, and is required by contract.
- (2) This insurance does not apply to:
 - (a) "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard."

M. Duties in the Event of Occurrence, Claim or Suit

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2 is amended as follows:

a. is amended to include:

This condition applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An executive officer or insurance manager, if you are a corporation.

b. is amended to include:

This condition will not be considered breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An executive officer or insurance manager, if you are a corporation.

N. Unintentional Failure To Disclose Hazards

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 6. Representations is amended to include the following:

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

O. Transfer of Rights of Recovery Against Others To Us

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 8. Transfer of Rights of

Recovery Against Others To Us is deleted in its entirety and replaced by the following:

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

Therefore, the insured can waive the insurer's rights of recovery prior to the occurrence of a loss, provided the waiver is made in a written contract.

P. Liberalization

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, is amended to include the following:

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

Q. Bodily Injury – Mental Anguish

SECTION V – DEFINITIONS, Paragraph 3. Is deleted in its entirety and replaced by the following:

"Bodily injury" means:

- a. Bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
- b. Except for mental anguish, includes death resulting from the foregoing (Item a. above) at any time.

R. Personal and Advertising Injury – Abuse of Process, Discrimination

If **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE** is not otherwise excluded from this Coverage Part, the definition of "personal and advertising injury" is amended as follows:

1. **SECTION V – DEFINITIONS**, Paragraph 14.b. is deleted in its entirety and replaced by the following:

- b. Malicious prosecution or abuse of process;

2. **SECTION V – DEFINITIONS**, Paragraph 14. is amended by adding the following:

Discrimination based on race, color, religion, sex, age or national origin, except when:

- a. Done intentionally by or at the direction of, or with the knowledge or consent of:
 - (1) Any insured; or
 - (2) Any executive officer, director, stockholder, partner or member of the insured;
- b. Directly or indirectly related to the employment, former or prospective employment, termination of employment, or application for employment of any person or persons by an insured;

- c. Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or
- d. Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

The above does not apply to fines or penalties imposed because of discrimination.

Additional Named Insureds

Other Named insureds

KCR Cares LLC	Insured Multiple Names
KCR Community Services LLC	Insured Multiple Names
Kitsap Community Resources 401k Plan	Insured Multiple Names



Safety & Health

Claims

Patient Care

Insurance

Workers' Rights

Licensing & Permits

Debarred Contractors List

A debarred contractor may not bid on, or have a bid considered on, any public works contract. You can search and filter this list using the options presented below.

Company Name: Principal: From: To:

WA UBI Number: RCW:

License Number: Penalty Due: Wage Due:

Show per page Showing 0 records


First Previous Next Last

Company Name	UBI	License	Principals	Status	RCW	Debar Begins	Debar Ends	Penalty Due	Wages Due
There are no records that match your search criteria.									

Show per page Showing 0 records

First Previous Next Last


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Select Domain 
All Domains

Filter By 

Keyword Search




For more information on how to use our keyword search, visit our [help guide](#) 

- Any Words 
- All Words 
- Exact Phrase 

e.g. 1606N020Q02

debarment 

Federal Organizations

Kitsap Community Resources   

No results found 

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As of 02/24/2023