



Washington State Auditor's Office

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Financial Statements and Federal Single Audit Report

Clark Regional Emergency Services Agency

Clark County

For the period January 1, 2013 through December 31, 2014

Published September 28, 2015

Report No. 1015233





Washington State Auditor's Office

September 28, 2015

Administrative Board
Clark Regional Emergency Services Agency
Vancouver, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Clark Regional Emergency Services Agency's financial statements and compliance with federal laws and regulations.

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

Sincerely,

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

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FEDERAL SUMMARY

Clark Regional Emergency Services Agency Clark County January 1, 2014 through December 31, 2014

The results of our audit of the Clark Regional Emergency Services Agency are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

Financial Statements

An unmodified opinion was issued on the basic financial statements.

Internal Control Over Financial Reporting:

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

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

Federal Awards

Internal Control Over Major Programs:

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

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

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
97.067	Homeland Security Grant Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The Agency qualified as a low-risk auditee under OMB Circular A-133.

**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**

**Clark Regional Emergency Services Agency
Clark County
January 1, 2013 through December 31, 2014**

Administrative Board
Clark Regional Emergency Services Agency
Vancouver, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Clark Regional Emergency Services Agency, Clark County, Washington, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated September 21, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal

control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in blue ink that reads "Jan M. Jutte". The signature is cursive and fluid.

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

September 21, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Clark Regional Emergency Services Agency Clark County January 1, 2013 through December 31, 2014

Administrative Board
Clark Regional Emergency Services Agency
Vancouver, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Clark Regional Emergency Services Agency, Clark County, Washington, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed on page 14.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clark Regional Emergency Services Agency, as of December 31, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This schedule is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2015 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

September 21, 2015

FINANCIAL SECTION

**Clark Regional Emergency Services Agency
Clark County
January 1, 2013 through December 31, 2014**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2014 and 2013

BASIC FINANCIAL STATEMENTS

Comparative Statement of Net Position – 2014 and 2013

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position – 2014
and 2013

Comparative Statement of Cash Flows – 2014 and 2013

Notes to Financial Statements – 2014 and 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2014

CLARK REGIONAL EMERGENCY SERVICES AGENCY
Management's Discussion and Analysis
December 31, 2014 and 2013

The Clark Regional Emergency Services Agency's discussion and analysis is a narrative overview of the Agency's financial activities for the year ended December 31, 2014 and 2013. The information presented here should be read in conjunction with the financial statements and notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

- At the end of December 31, 2014, the total net position of the Clark Regional Emergency Services Agency exceeded its liabilities by \$15.4 million. Of this amount, \$11.9 million may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3.0 million (23%) in 2014. This increase was a result of increased 911 fees collected and operating grants.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the Clark Regional Emergency Services Agency's (the Agency's) basic financial statements. This information will assist users in interpreting the basic financial statements. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the Agency.

Basic Financial Statements

The basic financial statements comprise two components: 1) enterprise fund financial statements, and 2) notes to the financial statements. The Agency is a special purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Enterprise Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clark Regional Emergency Services Agency, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. The single fund of the Agency is reported as an enterprise fund. The financial statements consist of a statement of net position, statement of revenues, expenses and changes in fund net position and a statement of cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the financial statements.

FINANCIAL ANALYSIS

Statement of Net Position

The Agency's total net position was \$15,396,700 at December 31, 2014, compared to \$12,444,518 at December 31, 2013. Of this amount, \$11,886,128 and \$9,097,420 is unrestricted at the end of 2014 and 2013, respectively. These assets are available to meet the ongoing needs of the government.

Our analysis below focuses on the net position and the change in net position of the special purpose government as a whole.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
Management's Discussion and Analysis
December 31, 2014 and 2013

NET POSITION

December 31, 2014, 2013 and 2012

	2014	2013	2012
Assets:			
Current and other assets	\$ 19,132,278	\$ 10,047,003	\$ 6,784,956
Capital assets, net	3,510,572	3,347,098	2,983,643
Total Assets	22,642,850	13,394,101	9,768,599
Liabilities:			
Current and other liabilities	6,793,270	531,940	481,727
Noncurrent liabilities	452,880	417,643	391,927
Total Liabilities	7,246,150	949,583	873,654
Net Position:			
Investment in capital assets	3,510,572	3,347,098	2,983,643
Unrestricted	11,886,128	9,097,420	5,911,302
Total Net Position	\$ 15,396,700	\$ 12,444,518	\$ 8,894,945

The largest component of “current and other assets” is made up of cash, cash equivalents and pooled investments, which represents 68%, 60%, and 85% respectively, in 2014, 2013, and 2012. This percentage increased from 2013 to 2014 as the Agency is collecting funds for the Radio System Replacement.

The cash, cash equivalents and pooled investments increased \$6.9 million from 2013 to 2014. This is partially a result of the transfer of cash (\$2.9 million) back from Clark County, which was being held in safekeeping for future purchase of radio equipment. The other \$3.9 million increase comprises an increase in cash received from operating activities of \$3.1 million and non-capital grants of approximately \$854,000.

During 2014, the due from other governments decreased \$246,816, or 40%, from 2013. This decrease is a result of county intergovernmental revenue transferring by year end in 2014, where it had only been accrued in 2013.

Vouchers payable represent the greatest category of total liabilities at 88% in 2014. Accrued compensated absences made up the largest category of liabilities in 2013 and 2012, at 50% for both years. At the end of 2014, the upgrade to radio infrastructure began, resulting in the increase in vouchers payable of \$6.2 million.

At December 31, 2014, unrestricted net position of \$11.9 million increased 31%, or \$2.8 million, over 2013. This resulted mainly from the increase in operating income. At December 31, 2013, unrestricted net position of \$9.1 million increased 55%, or \$3.2 million, over 2012.

The remaining portion of the Agency’s total net position (investment in capital assets to total net position) was 23% in 2014, 27% in 2013, and 34% in 2012. At the end of the most recent year end, there was a 4% increase in the investment in capital assets because of equipment purchased, offset by depreciation. There was an increase in capital assets at December 31, 2013 of 12%, from the end of 2012 because of new asset purchases. The Agency's capital assets are used to provide 911 communication services to citizens. Consequently, these assets are not available for future spending.

For the last three years, the Clark Regional Emergency Services Agency reports positive balances in both categories of net position.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

The actual contributions made to the plan for the years ended December 31, were:

	Employer Contributions	Employee Contributions
2014	\$394,653	\$437,856
2013	383,337	407,139
2012	360,652	381,006
2011	349,470	385,328

5. RISK MANAGEMENT

The Agency is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 175 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

6. OPERATING LEASES

The Agency is obligated under certain leases accounted for as operating leases. These represent lease of land for radio towers. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the Agency's statement of net position. Increases in rent, if any, are contingent upon the consumer price index at defined intervals.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2014:

<u>Year Ending December 31</u>	<u>Total</u>
2015	213,688
2016	200,856
2017	58,113
2018	19,874
2019	19,874
2020-2021	<u>39,746</u>
Total minimum payments required	<u>\$ 552,151</u>

Total minimum payments required at December 31, 2014 were \$552,151. Total rent expense for the year ended December 31, 2014 and 2013 was \$206,653 and \$201,120, respectively.

7. CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2014 and 2013, the following changes occurred in long-term liabilities:

	<u>01/01/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/14</u>	<u>Due within one year</u>
Compensated Absences	\$ 464,048	\$ 35,596	\$ 0	\$ 499,644	\$ 46,764
Total long-term liabilities	<u>\$ 464,048</u>	<u>\$ 35,596</u>	<u>\$ 0</u>	<u>\$ 499,644</u>	<u>\$ 46,764</u>

	<u>01/01/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/13</u>	<u>Due within one year</u>
Compensated Absences	\$ 435,474	\$ 3,311,581	\$ 3,283,007	\$ 464,048	\$ 46,405
Total long-term liabilities	<u>\$ 435,474</u>	<u>\$ 3,311,581</u>	<u>\$ 3,283,007</u>	<u>\$ 464,048</u>	<u>\$ 46,405</u>

8. RELATED PARTY TRANSACTIONS

The Agency is involved in a related party transaction with Clark County. Clark County collects telephone access fees (911 taxes) that were used to pay for a county bond issue that financed the Agency's building and radio equipment. On December 31, 2009, the building bond was paid off. The equipment bond was paid off in 2014, and the Agency no longer has any debt outstanding. The 911 tax was used in 2010 for payment of the radio equipment bond, CAD operating costs and transfers to the County Radio Replacement fund (3087) for future equipment replacement. Effective January 1, 2011, the 911 tax can only be used to offset qualifying 911 expenses, leaving the funding for the future radio replacement the responsibility of the Agency's stakeholders. At December 31, 2014 and 2013, all 911 tax received by the Agency was used for qualifying expenses. \$4,102,260 and \$4,102,449 was transferred in 2014 and 2013, respectively.

The Agency is replacing its radio infrastructure, and user agencies will acquire new field radios. This will be funded as a direct pass through CRESA to the user agencies based upon their needs and current ability to pay. Agencies that are currently underfunded can finance their purchase through a Lease program that Motorola is offering. Through this program CRESA would be the lead agency and signatory to the Lease. User agencies that finance will sign a separate agreement to reimburse CRESA for their individual portion of the lease amount. At December 31, 2014, leases in the amount of \$747,055 were entered into.

9. JOINTLY ADMINISTERED ORGANIZATION

The Agency is involved in Region IV, a jointly administered organization established by the State of Washington Emergency Management Division. Region IV is used to distribute public safety grants to Clark, Cowlitz, Skamania and Wahkiakum Counties. Region IV receives grants based upon an allocation performed by the State of Washington. The Agency receives the grants on behalf of Region IV and distributes the proceeds to the governments within the Region IV Council. The nature and expenditure of the grants is determined by the grant programs received. A portion of the grant is used to pay for an Emergency Management Coordinator position or part-time position at each County, as well as indirect costs and management and administrative expenses incurred by the Agency.

10. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The Agency has an active construction project as of December 31, 2014. In November 2014, a contract was signed with Motorola to provide new infrastructure, field equipment and ongoing support, as Motorola has advised they will no longer support the current analog radio system after 2015. The total cost over the ten year contract is projected to be \$13,749,212; \$9,760,940 for new infrastructure, \$3,688,272 in ongoing support costs, and \$300,000 in project management fees. Infrastructure will be funded through accrued reserves and future user fees. Ongoing support will be funded either with current ongoing fees which the Agency has in place or through a to-be-determined shared user fee structure. The new system will be operational by the end of 2016.

At year end, the Agency's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Radio Infrastructure Replacement	\$ 416,051	\$ 9,644,889

At year end, the Agency's other commitments are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Infrastructure support agreement	\$ -	\$ 3,688,272

Of the committed balance of \$13,333,161, the Agency does not need to raise additional funds to cover the commitment.

11. SUBSEQUENT EVENTS

Since 1992, CRESA has performed the emergency medical contract oversight for EMS District #2 which included the City of Vancouver and certain fire districts within Clark County under an interlocal agreement. In addition to the City of Vancouver not renewing the interlocal agreement, the smaller fire districts will now contract with the City of Vancouver for ambulance services. In 2015, there will no

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

longer be a need for the Emergency Services Program which maintained 2.5 FTEs, decreasing the expenses and revenue for the agency. The actual loss of revenue will be computed in 2015.

12. RESTATEMENT

The 2013 column of the Statement of Revenues, Expenses and Changes in Fund Net Position presents a \$35,567 restatement. In part, this represents, \$27,000 for a payable to Clark County for employee expenses which the county continued to pay after that employee transferred to CRESA and a change in employee salaries and benefits. An additional reduction of receivable and operating grants of \$8,567 was made for grant revenue accrued in error in 2013.

Clark Regional Emergency Services Agency

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2014

Schedule 16

Page 1 of 1

Federal Agency Name/Pass Through Agency Name	Federal Program Name	CFDA Number	Other Identification Number	Total Indirect Federal Expenditures	Foot Note Ref
Department of Homeland Security/ Clark County	Urban Areas Security Initiative	97.008	UA11-170 Regional Staffing Project (6916-804-870) Budget Line Item UA11-170, 0004	37,532	
Department of Homeland Security/ Clark County	Urban Areas Security Initiative	97.008	UA12-170 Regional Staffing Project (6916-806-870) Budget Line Item UA12-170, 0004	19,608	
			Subtotal	\$ 57,140	
Federal Emergency Management Agency/ Washington State Emergency Management Division	Emergency Management Performance Grants	97.042	E14-189 (EMW-2013-EP-00050-S01) (Fund 6916, 742) Revenue (6916.000.870.333971)	44,482	2
Federal Emergency Management Agency/ Washington State Emergency Management Division	Emergency Management Performance Grants	97.042	E15-155 (EMW-2014-EP-00033) (Fund 6916, 742) Revenue (6916.000.870.333971)	70,361	2
			Subtotal	\$ 114,843	
Department of Homeland Security/ Washington State Military Department	Citizen Corps '11	97.067	OFM K1035 (764)	2,307	
			Subtotal	\$ 2,307	
Department of Homeland Security/ Washington State Region IV	Homeland Security Grant Program	97.067	E12-246 (765, 768) Region IV	232,086	
Department of Homeland Security/ Washington State Military Department	Homeland Security Grant Program Citizen Corps '12	97.067	E12-246 (773) Region IV	3,416	
Department of Homeland Security/ Washington State Region IV	Homeland Security Grant Program	97.067	E13-148 (770) Region IV	244,922	
Department of Homeland Security/ Washington State Region IV	Homeland Security Grant Program	97.067	E14-156 (774, 775, 776) Region IV	104,072	
Department of Transportation Washington State Military Department	Hazardous Material Emergency Preparedness Grant	20.703	E14-183, HMEP, HMP-0369-13-01-00 (757.870.605)	6,056	
			Subtotal	\$ 590,552	
TOTAL FEDERAL EXPENDITURES				\$ 764,843	

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the agency's financial statements. The agency uses the full accrual basis of accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the agency's portion, are more than shown.

Note 3 - AMOUNTS AWARDED TO SUBRECIPIENTS:

Included in the total amount expended for the following programs are amounts passed through to subrecipients that administered its own projects:

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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