



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

King and Kittitas County Fire Protection District No. 51

(Snoqualmie Pass Fire & Rescue)

For the period January 1, 2019 through December 31, 2020

Published July 26, 2021

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

July 26, 2021

Board of Commissioners
Snoqualmie Pass Fire & Rescue
Snoqualmie Pass, Washington

Report on Financial Statements

Please find attached our report on Snoqualmie Pass Fire & Rescue's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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INDEPENDENT AUDITOR'S REPORT

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

Snoqualmie Pass Fire & Rescue January 1, 2019 through December 31, 2020

Board of Commissioners
Snoqualmie Pass Fire & Rescue
Snoqualmie Pass, 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 Snoqualmie Pass Fire & Rescue, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated July 21, 2021.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As discussed in Note 10 to the 2019 financial statements and Note 3 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's

internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

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

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

Pat McCarthy, State Auditor

Olympia, WA

July 21, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Snoqualmie Pass Fire & Rescue January 1, 2019 through December 31, 2020

Board of Commissioners
Snoqualmie Pass Fire & Rescue
Snoqualmie Pass, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Snoqualmie Pass Fire & Rescue, for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 District'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 District'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 opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of Snoqualmie Pass Fire & Rescue, and its changes in cash and investments, for the years ended December 31, 2020 and 2019, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Snoqualmie Pass Fire & Rescue, as of December 31, 2020 and 2019, or the changes in financial position or cash flows thereof for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matter of Emphasis

As discussed in Note 10 to the 2019 financial statements and Note 3 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct and indirect impact of the District is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2021 on our consideration of the District'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 District's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

July 21, 2021

FINANCIAL SECTION

Snoqualmie Pass Fire & Rescue January 1, 2019 through December 31, 2020

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2020

Fund Resources and Uses Arising from Cash Transactions – 2019

Notes to Financial Statements – 2020

Notes to Financial Statements – 2019

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020

Schedule of Liabilities – 2019

King and Kittitas County Fire Protection District No. 51
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 EXPENSE FUND (639010)	200 LTGO BOND FUND (639031)
Beginning Cash and Investments				
308	Beginning Cash and Investments	684,949	515,963	-
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	832,884	722,980	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	2,729	2,729	-
340	Charges for Goods and Services	96,642	96,642	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	12,459	11,360	-
Total Revenues:		<u>944,714</u>	<u>833,711</u>	<u>-</u>
Expenditures				
510	General Government	-	-	-
520	Public Safety	633,611	633,368	81
Total Expenditures:		<u>633,611</u>	<u>633,368</u>	<u>81</u>
Excess (Deficiency) Revenues over Expenditures:		<u>311,103</u>	<u>200,343</u>	<u>(81)</u>
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	1,925,000	150,000	833,013
397	Transfers-In	274,731	-	21,433
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		<u>2,199,731</u>	<u>150,000</u>	<u>854,446</u>
Other Decreases in Fund Resources				
594-595	Capital Expenditures	3,923	3,923	-
591-593, 599	Debt Service	1,991,932	11,460	854,146
597	Transfers-Out	274,731	101,084	219
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>2,270,586</u>	<u>116,467</u>	<u>854,365</u>
Increase (Decrease) in Cash and Investments:		<u>240,248</u>	<u>233,876</u>	<u>-</u>
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	175,408	49	-
50841	Committed	150,215	150,215	-
50851	Assigned	76,960	76,960	-
50891	Unassigned	522,612	522,612	-
Total Ending Cash and Investments		<u>925,195</u>	<u>749,836</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

201 UTGO BOND FUND (639032)	202 LTGO 2020 BOND FUND (639034)	203 UTGO 2020 BOND FUND (639035)	BOND FUND APPARATUS (639033)	300 LTGO Construction Fund (639020)	301 UTGO Construction Fund (639021)
87,381	-	-	4,184	65	77,356
-	-	-	-	-	-
64,317	-	2,670	42,917	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2	1	-	-	1,096
64,317	2	2,671	42,917	-	1,096
-	-	-	-	-	-
81	-	-	81	-	-
81	-	-	81	-	-
64,236	2	2,671	42,836	-	1,096
625,000	1,363	624	315,000	-	-
-	79,870	173,428	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
625,000	81,233	174,052	315,000	-	-
-	-	-	-	-	-
640,674	81,234	80,990	323,428	-	-
135,271	-	-	38,157	-	-
-	-	-	-	-	-
-	-	-	-	-	-
775,945	81,234	80,990	361,585	-	-
(86,709)	1	95,733	(3,749)	-	1,096
-	-	-	-	-	-
673	1	95,733	435	65	78,452
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
673	1	95,733	435	65	78,452

The accompanying notes are an integral part of this statement.

King and Kittitas County Fire Protection District No. 51
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		Total for All Funds (Memo Only)	001 EXPENSE FUND (639010)	200 LTGO BOND FUND (639031)
Beginning Cash and Investments				
30810	Reserved	168,116	49	-
30880	Unreserved	381,877	381,877	-
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	860,413	750,204	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	2,532	2,532	-
340	Charges for Goods and Services	43,626	43,626	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	18,598	16,844	-
Total Revenues:		925,169	813,206	-
Expenditures				
510	General Government	-	-	-
520	Public Safety	632,351	632,351	-
Total Expenditures:		632,351	632,351	-
Excess (Deficiency) Revenues over Expenditures:		292,818	180,855	-
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	99,847	33	99,465
385	Special or Extraordinary Items	50,000	50,000	-
386 / 389	Custodial Activities	-	-	-
381, 382, 395, 398	Other Resources	27,443	27,443	-
Total Other Increases in Fund Resources:		177,290	77,476	99,465
Other Decreases in Fund Resources				
594-595	Capital Expenditures	5,498	5,498	-
591-593, 599	Debt Service	229,808	19,332	99,465
597	Transfers-Out	99,847	99,465	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581, 582	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		335,153	124,295	99,465
Increase (Decrease) in Cash and Investments:		134,955	134,036	-
Ending Cash and Investments				
5081000	Reserved	169,035	49	-
5088000	Unreserved	515,913	515,913	-
Total Ending Cash and Investments		684,948	515,962	-

The accompanying notes are an integral part of this statement.

201 UTGO BOND FUND (639032)	FUND APPARATUS (642031)	BOND FUND APPARATUS (639033)	300 LTGO Construction Fund (639020)	301 UTGO Construction Fund (639021)	APPARATUS PROJECT Fund (642021)
87,408	2	4,989	64	75,604	-
-	-	-	-	-	-
-	-	-	-	-	-
67,720	347	42,109	-	-	33
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1	1,753	-
67,720	347	42,109	1	1,753	33
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
67,720	347	42,109	1	1,753	33
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	349	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	349	-	-	-
67,748	-	43,263	-	-	-
-	349	-	-	-	33
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
67,748	349	43,263	-	-	33
(28)	(2)	(805)	1	1,753	-
87,380	-	4,184	65	77,357	-
-	-	-	-	-	-
87,380	-	4,184	65	77,357	-

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The Snoqualmie Pass Fire & Rescue was incorporated on March 16, 1970 as Kittitas County Fire District #5 and operates under the laws of the state of Washington applicable to a special purpose government. The district is a special purpose local government and provides fire protection services to the general public and is supported primarily through property taxes. Since Snoqualmie Pass lies in both King and Kittitas County, it was necessary to form a King County Fire District. So, on March 16, 1971 King County Fire District #49 was incorporated. On October 14, 1992, Kittitas County Fire District #5 merged into King county Fire District #49, forming King and Kittitas Counties Fire Protection District No. 51. On November 12, 2007, by passage of Resolution 2007-008, the District changed its name to Snoqualmie Pass Fire & Rescue. The District operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts. A board of Commissioners, composed of Five elected registered voters residing in the District, manage the affairs of the District.

On March 17, 2017, by passage of Resolution 2017-10 The District started the petition to merge Fire District #8 into Snoqualmie Pass Fire and Rescue to consolidate operations into one district. On November 30, 2017, by passage of Resolution 2017-16, Fire District #8 merged into Snoqualmie Pass Fire and Rescue effective January 1, 2018. This was voter approved by voters in District #8. The Board of Commissioners is currently composed of six (6) elected registered voters residing in the Districts, to manage the affairs of the District, until through attrition, the board size reduces back to three (3) Commissioners. The voters of the District voted to approve to expand the Board size to five (5), in the November 2018 general election.

The district reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government. Special Revenue Fund Balance represents portions of fund balance that are legally restricted for a specific future purpose. On December 2010, the District issued unlimited tax general obligation bonds and received a premium of \$16. This amount will be used to pay off the bonds. Also, the proceeds from the issuance of UTGO and LTGO bonds, \$845,000 and \$1,035,000 respectively, were restricted for the construction of the District's new fire station. In 2008, FD #8 (now merged into FD #51) issued voter approved Bond for Fire Apparatus for \$475,000.

In October 2020, the district refunded the three (3) existing bonds totaling \$1,675,000 (\$785,000 LTGO, \$595,000 UTGO, and \$295,000 UTGO bonds) into two (2) bonds: UTGO Bond at \$940,000 (with an underwriters fee of \$9,400 & underwriters document fee of \$16,974.35) and LTGO Bond at \$985,000 (with an underwriters fee of \$9,850 & underwriters document fee of \$17,725.65). \$150,000 of the LTGO proceeds were allocated to Capital Projects Fund 639023 to buy a new Aid Car. This refunding is anticipated to save the district \$76,224.76 thru 2031.

Debt Service Funds

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

Capital Projects Funds

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

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$300 and an estimated useful life in excess of 2 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Full Time Firefighters receive 15 days of Paid Time off (PTO) annually calculated from January 1 through December 31, which is inclusive of both vacation and sick leave PTO. Vacation/Sick leave PTO may be accumulated up to 5 days over into the next calendar year, not to exceed 20 days total. Upon separation or retirement for any reason, employees do receive payment for unused comp time, but not Vacation/Sick Leave PTO. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5 - *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by voters or the Board. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of **\$325,622.50**.

UTGO Bond Fund (639032) Voter Approved from taxpayers **\$673.31** (2020 Revenue \$64,317.57 (to pay UTGO Bond)) (Refunded into 639035)

LTGO Construction Fund (639020) **\$65.05** (for Construction of Station) (2020 Revenue \$.32)

UTGO Construction Fund (639021) **\$78,451.72** (for Construction of Station) (2020 Revenue \$1,095.53)

LTGO Capital Project Fund (639023) **\$150,215.37** (new in 2021 from refunding) (2020 Revenue \$215.37)

FD #8 Go Bond Fund (639033) **\$434.53** (for Fire Apparatus) (2020 Revenue \$42,917.03 to pay Bond) (Refunded into 639034)

LTGO Bond Fund (639034 new in 2021) **\$1.08** (2020 Revenue \$1.95)

UTGO Bond Fund (639035 new in 2021) **\$95,732.70** (2020 Revenue \$2,670.61)

General Fund (639010) **\$ 48.74** (for FD#8 Apparatus Project Fund 642021) (2020 Revenue \$0)

Note 2 - Budget Compliance

The district adopts annual appropriated budgets for the General 639010 fund. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
639010 General Fund	\$ 702,866.00	\$ 654,873.42	\$ 47,992.58

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

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

March 2020 Board meeting was cancelled. April 15, 2020 Board meeting was held remotely by phone for both public and board members.

Pursuant to Governor Inslee's Proclamation 20-28, due to the COVID-19 emergency, the public may not attend District Board meetings in person, but rather must attend telephonically, or through other virtual means. Public attendance at District meetings was offered telephonically, at least April 23, 2020, or longer if the Governor extends his order.

Washington State Governor issued a Stay at Home order for the entire state thru May 4, 2020. Board meetings were restricted to only essential and normal items.

The April 30 due date for property tax extensions, offered by King and Kittitas Counties, did not negatively affect the revenues nor payment of June 1 or Dec 1, 2020, bond payments.

King County extended the property tax deadline to June 1. Kittitas County offered a Property Tax payment relief plan for those that applied by April 30, 2020, with 3 options:

Option A:	50/50 - No Interest or penalties <ul style="list-style-type: none">• 50% paid by April 30th, 50% paid by May 31st.
Option B:	25/25/50 - 1% Interest on Total Tax Amount Owed, No Added Penalties <ul style="list-style-type: none">• 25% paid by April 30th, 25% paid by May 31st, 50% paid by June 30th.
Option C:	Monthly payments through September 30, 2020 – <ul style="list-style-type: none">• First half taxes plus 1% Interest per month on Total Tax Amount Owed, May Interest waived-• total amount owed divided into 6 equal monthly payments with first payment paid in April.

For the rest of 2020 and currently thru 2021, the Board meetings have been held remotely thru Zoom for both public & Board members.

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

Note 4 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2020 are as follows:

Type of deposit or investment	<u>District's own</u> deposits and investments	Deposits and investments held by the <u>County</u> as custodian for other local governments, individuals, or private organizations	Total
Bank deposits	\$ 1,000	\$ 924,194.21	\$ 925,194.21
Certificates of deposit			
Local Government Investment Pool			
U.S. Government securities			
(Other)			
(Other)			
Total	\$ 1,000	\$ 924,194.21	\$ 925,194.21

001 639010 General Expense Fund	\$522,660.58 of which \$48.74 is reserved.
002 Chase Bank Revolving Fund	\$ 1,000.00
003 639011 Fire Benefit Charge (FBC)	\$ 19,497.00
004 639022 Savings Fund	\$ 56,462.87
005 639023 LTGO Capital Project Fund	\$150,215.37 of which all is reserved.
201 639032 UTGO BOND FUND	\$ 673.31 of which all is reserved.
212 639033 FD#8 GO BOND APPARATUS	\$ 434.53 of which all is reserved.
202 639034 LTGO BOND FUND	\$ 1.08 of which all is reserved.
203 639035 UTGO BOND FUND	\$ 95,732.70 of which all is reserved.
300 639020 LTGO Construction Fund	\$ 65.05 of which all is reserved.
301 639021 UTGO Construction Fund	\$ 78,451.72 of which all is reserved.

It is the district's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The district is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Investments in (county investment pool)

The district is a voluntary participant in the (county investment pool), an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with [RCW 36.48.070](#). The district reports its investment in the pool at fair value, which is the same as the value of the pool per share. (The LGIP does not impose liquidity fees or redemption gates on participant withdrawals/disclose any liquidity fees or redemption gates).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the district would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The district's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the county or its agent in the government's name, Kittitas County.

Note 5 – Long-Term Debt *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2020.

The debt service requirements for general obligation bonds, revenue bonds and Lease on Two (2) Ford Super Duty F550 XL Trucks for old FD #8 (Trucks final payment is on 3/2021) are as follows:

Year	Principal	Interest	Total
2020	\$ 171,007.86	\$ 92,045.36	\$ 263,053.22
2021	\$ 175,638.43	\$ 14,782.64	\$ 190,421.07
2022	\$ 175,000.00	\$ 14,114.00	\$ 189,114.00
2023	\$ 180,000.00	\$ 13,406.00	\$ 193,406.00
2024	\$ 180,000.00	\$ 12,952.25	\$ 192,952.25
2025 - 2029	\$ 830,000.00	\$ 56,918.50	\$ 886,918.50
Total	\$1,711,646.29	\$204,218.75	\$1,915,865.04

Debt Refunding

The district issued \$ 985,000 LTGO and \$940,000 UTGO refunding bonds, to retire \$1,675,000 of existing (\$785,000 LTGO, \$595,000 UTGO, and \$295,000 UTGO (old FD #8)) bonds. This refunding was undertaken to reduce total debt service payments over the next 11 years by \$76,225 - (\$130,175 minus \$53,950 in issuance costs). The financial statements reflect other financing sources of \$0 and other financing uses of allocating \$150,000 to Capital Projects Fund 639023 to buy new Aid Car, pertaining to this transaction.

Assets Pledged as Collateral for Debt

The following debt is secured by assets that are pledged as collateral:

Debt	Asset
2020 UTGO & LTGO G.O. Bonds	Snoq Pass Fire Station @ 1211 State Route 906
Lease that ends on 3/15/2021	Two – 2013 Ford Super Duty F550 XL Trucks

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all district's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans LEOFF 2.

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

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

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

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

The district also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2020 (the measurement date of the plans), the (city/county/district's) proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1			
PERS 2/3			
PSERS 2			
LEOFF 1			
LEOFF 2	\$8,869.72	.004534%	(\$ 92,487)
VFFRPF			
(Other)			

LEOFF Plan 2

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

Note 7 - Property Tax

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

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

REGULAR LEVIES FD #51 & FD #8:

The KITTITAS County regular levy FD#51 & FD#8 for the year 2020 was \$.867168 per \$1,000 on an assessed valuation of \$ 425,295,088 for a total regular levy of \$ 368,802.29.

The KING County regular levy FD #51 for the year 2020 was \$.86717 per \$1,000 on an assessed valuation of \$91,126,973 for a total regular levy of \$79,022.58.

BONDS #51 & FD #8:

In 2020, the district FD#51 levied also in KITTITAS County \$.171535 per \$1,000 for Fire Station Bond for a total additional levy of \$ 50,721.68.

In 2020, the district FD #51 levied also in KING County \$.17154 per \$1,000 of assessed value for the Fire Station Bond for a total additional levy of \$17,670.74.

In 2020, the district FD #8 levied also in KITTITAS County \$.334255 per \$1,000 for Fire Apparatus 2008-2027 Bond for a total additional levy of \$ 43,205.91.

FIRE BENEFIT CHARGE (FBC) #51:

In, 2020, the district FD#51 also budgeted to collect \$243,452.96 from a Fire Benefit Charge (FBC) placed on all residential, multi-family, and commercial structures, and set the FBC amount at that total. GL Detail report for 2020 states the district collected \$185,772.45 from Kittitas County and \$54,574.23 from King County FBC collections. (2019 King County FBC receipts were \$131,148.41 as one parcel, Ski Lifts Inc., paid \$71,625.65 in past due King County taxes in May of 2019.)

Note 8 – Risk Management

Snoqualmie Pass Fire and Rescue individually purchases commercial insurance policies with VFIS Insurance, a division of Glatfelter Insurance Group.

183 Leader Heights Road, P.O. Box 2726, York, Pennsylvania, 17405.

2020 Annual premiums - \$39,521.00. Deductible - \$1,000.

Note 9 – Other Disclosures

SALE OF OLD FIRE STATION - On April 3, 2019, Snoqualmie Pass Fire and Rescue sold the old fire station located at 69802 State Route 906 to Pass Vision LLC for \$50,000. This ended the lease with the Forest Service, as Pass Vision LLC will be the new lease holder for the land with the Forest Service. As such, Snoqualmie Pass Fire &

Rescue will no longer be responsible for the tear down of the old Fire Station, thus the \$78,451.72 in reserves, UTGO Construction Fund 639021, will not have to be spent on demolition/cleanup of the old Fire Station, when the UTGO Bond is paid off in 2031, per the terms of the Forest Service lease.

Buyer Name: Pass Vision LLC
Seller Name: Snoqualmie Pass Fire & Rescue
Old Fire Station Sale 4/3/2019

Note 1 - Summary of Significant Accounting Policies

The Snoqualmie Pass Fire and Rescue was incorporated on March 16, 1970 as Kittitas County Fire District #5 and operates under the laws of the state of Washington applicable to a special purpose government. The district is a special purpose local government and provides fire protection services to the general public and is supported primarily through property taxes. Since Snoqualmie Pass lies in both King and Kittitas County, it was necessary to form a King County Fire District. So, on March 16, 1971 King County Fire District #49 was incorporated. On October 14, 1992, Kittitas County Fire District #5 merged into King county Fire District #49, forming King and Kittitas Counties Fire Protection District No. 51. On November 12, 2007, by passage of Resolution 2007-008, the District changed its name to Snoqualmie Pass Fire & Rescue. The District operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts. A board of Commissioners, composed of Five elected registered voters residing in the District, manage the affairs of the District.

On March 17, 2017, by passage of Resolution 2017-10 The District started the petition to merge Fire District #8 into Snoqualmie Pass Fire and Rescue to consolidate operations into one district. On November 30, 2017, by passage of Resolution 2017-16, Fire District #8 will be merged into Snoqualmie Pass Fire and Rescue effective January 1, 2018. This was voter approved by voters in District #8. The Board of Commissioners is currently composed of six (6) elected registered voters residing in the Districts, to manage the affairs of the District, until through attrition, the board size reduces back to three (3) Commissioners. The voters of the District voted to approve to expand the Board size to five (5), in the November 2018 general election.

The district reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter [43.09](#) RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements. (see note to the financial statements)
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government. Special Revenue Fund Balance represents portions of fund balance that are legally restricted for a specific future purpose. On December 2010, the District issued unlimited tax general obligation bonds and received a premium of \$16. This amount will be used to pay off the bonds. Also, the proceeds from the issuance of UTGO and LTGO bonds, \$845,000 and \$1,035,000 respectfully, were restricted for the construction of the District's new fire station. In 2008, FD #8 (now merged into FD #51) issued voter approved Bond for Fire Apparatus for \$475,000.

Debt Service Funds

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

Capital Projects Funds

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

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the District also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 5 - Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$300 and an estimated useful life in excess of 2 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Full Time Firefighters receive 15 days of Paid Time off (PTO) annually calculated from January 1 through December 31, which is inclusive of both vacation and sick leave PTO. Vacation/Sick leave PTO may be accumulated up to 5 days over into the next calendar year, not to exceed 20 days total. Upon separation or retirement for any reason, employees do not receive payment for unused sick leave/PTO. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 4 - Debt Service Requirements.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by voters or the board. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

UTGO Bond Fund (639032) Voter Approved from taxpayers \$87,381.39 (2019 Revenue \$67,720.67 (to pay UTGO Bond))

LTGO Construction Fund (639020) \$64.73 (for Construction of Station) (2019 Revenue \$.50)

UTGO Construction Fund (639021) \$77,356.19 (for Construction of Station) (2019 Revenue \$1,752.52)

FD #8 Go Bond Fund (639033) \$4,184.36 (for Fire Apparatus) (2018 Revenue \$42,108.61 to pay Bond)

FD #8 GO Bond Fund (642031) \$ 0.00 (for FD #8 Engine Fund) (2019 Revenue \$0)
(642031 funds were transferred to 639033, a new account, as FD #8 no longer exists)

General Fund (639010) \$ 48.74 (for FD#8 Apparatus Project Fund 642021) (2019 Revenue \$0)

REPORTING

Note 2 – Budget Compliance

Budgets

The districts adopts annual appropriated budgets for the General 639010 fund. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
639010	\$ 676,523	\$ 806,466	\$ 129,943
Total General Fund	\$ 676,523	\$ 806,466	\$ 129,943

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized

employee positions, salary ranges, hours, or other conditions of employment must be approved by the district's Board or Commissioners legislative body.

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

The Inter Local Agreement (ILA) with Kittitas Fire District 7, ended on October 17, 2018.

Note 4 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2019.

The debt service requirements for general obligation bonds, revenue bonds, Lease 2009 INTERNATIONAL 4X4 PUMPER TURCK (final payment made 2/2019), and Lease on Two (2) FORD SUPER DUTY F550 XL TRUCKS are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 133,404	\$ 96,401.59	\$ 229,805.97
2020	\$ 126,008	\$ 91,046.12	\$ 217,053.98
2021	\$ 130,638	\$ 85,237.50	\$ 215,875.93
2022	\$ 135,000	\$ 78,796.64	\$ 213,796.64
2023	\$ 145,000	\$ 71,662.50	\$ 216,662.50
2024 – 2028	\$ 835,000	\$230,890.00	\$1,065,890.00
	<hr/>	<hr/>	<hr/>
TOTALS	\$1,505,050.67	\$654,034.35	\$2,159,085.02

Note 5 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2019 are as follows:

<u>Type of Deposit or Investment</u>	<u>(City/county/district's)</u> own deposits and investments	Deposits and investments held by the county as a custodian for other local governments, individuals or private organizations.	Total
Bank deposits	<u>\$ 1,015.00</u>	<u>\$ 683,933.84</u>	<u>\$ 684,948.84</u>
Certificates of Deposit	<hr/>	<hr/>	<hr/>
Local Government	<hr/>	<hr/>	<hr/>
Investment Pool	<hr/>	<hr/>	<hr/>
U.S. Government Securities	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>

Total	\$ <u>1,015.00</u>	\$ <u>683,933.84</u>	\$ <u>684,948.84</u>
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001 639010 General Expense Fund	\$437,137.50 of which \$48.74 is reserved.
002 Chase Revolving Fund	\$ 1,015.00
003 639011 Fire Benefit Charge (FBC)	\$ 27,809.67
004 639022 Savings Fund	\$ 50,000.00
201 639032 UTGO BOND FUND	\$ 87,381.39 of which all is reserved.
212 639033 FD#8 GO BOND APPARATUS	\$ 4,184.36 of which all is reserved.
300 639020 LTGO Construction Fund	\$ 64.73 of which all is reserved.
301 UTGO Construction Fund	\$ 77,356.19 of which all is reserved.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the district would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The district's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the district or its agent in the government's name, Kittitas County.

Investments

It is the district's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Note 6 - Other Disclosures

Effective January 1, 2018, Fire District #8 will be merging into Fire District #51, and will be consolidating operations into one district. This was voter approved by voters in District #8.

The Inter Local Agreement (ILA) with Kittitas Fire District 7, ended on October 17, 2018.

Note 7 – Pension Plans

State Sponsored Pension Plans

Substantially all district's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans LEOFF 2.

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

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

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

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

The district also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2019 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1		%	\$
PERS 2/3			
PSERS 2			
LEOFF 1			
LEOFF 2	\$9,366.50	.005080%	(\$117,688)
VFFRPF			

LEOFF Plan 2

The district also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to

supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

Note 8 - Property Tax

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

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

REGULAR LEVIES FD #51 & FD #8:

The KITTITAS County regular levy FD#51 & FD#8 for the year 2019 was \$.868825 per \$1,000 on an assessed valuation of \$ 383,971,494 for a total regular levy of \$ 333,604.03.

The KING County regular levy FD #51 for the year 2019 was \$.86883 per \$1,000 on an assessed valuation of \$91,189,721 for a total regular levy of \$79,228.36.

BONDS #51 & FD #8:

In 2019, the district FD#51 levied also in KITTITAS County \$.193782 per \$1,000 for Fire Station Bond for a total additional levy of \$ 50,483.26.

In 2019, the district FD #51 levied also in KING County \$.19378 per \$1,000 of assessed value for the Fire Station Bond for a total additional levy of \$17,670.74.

In 2019, the district FD #8 levied also in KITTITAS County \$.350759 per \$1,000 for Fire Apparatus 2008-2027 Bond for a total additional levy of \$ 43,229.38.

FIRE BENEFIT CHARGE (FBC) #51:

In, 2019, the district FD#51 also budgeted to collect \$243,452.96 from a Fire Benefit Charge (FBC) placed on all residential, multi-family, and commercial structures, and set the FBC amount at that total. GL Detail report for 2019 states the district collected \$182,798.49 from Kittitas County and \$131,148.41 from King County FBC collections. (One parcel, Ski Lifts Inc., paid \$71,625.65 in past due King County taxes in May of 2019.)

Note 9 – Risk Management

Snoqualmie Pass Fire and Rescue individually purchases commercial insurance policies with VFIS Insurance, a division of Glatfelter Insurance Group.

183 Leader Heights Road, P.O. Box 2726, York, Pennsylvania, 17405.

2019 Annual premiums - \$36,448.00. Deductible - \$1,000.

Note 10 – Subsequent Events

- A. SALE OF OLD FIRE STATION - On April 3, 2019, Snoqualmie Pass Fire and Rescue sold the old fire station located at 69802 State Route 906 to Pass Vision LLC for \$50,000. This ended the lease with the Forest Service, as Pass Vision LLC will be the new lease holder for the land with the Forest Service. As such, Snoqualmie Pass Fire & Rescue will no longer be responsible for the tear down of the old Fire Station, thus the \$77,356 in reserves, will not have to be spent on demolition of the old Fire Station, per the terms of the Forest Service lease.

Buyer Name: Pass Vision LLC
Seller Name: Snoqualmie Pass Fire & Rescue
Old Fire Station Sale 4/3/2019

- B. FIRE BENEFIT CHARGE (King County) past due payment. One parcel, Ski Lifts Inc., paid \$71,625.65 in past due King County Fire Benefit taxes in May of 2019.
- C. COVID-19 (Coronavirus) – In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

March 2020 Board meeting was cancelled. April 15, 2020 Board meeting was held remotely by phone for both public and board members.
Pursuant to Governor Inslee's Proclamation 20-28, due to the COVID-19 emergency, the public may not attend District Board meetings in person, but rather must attend telephonically, or through other virtual means. Public attendance at District meetings was offered telephonically, at least April 23, 2020, or longer if the Governor extends his order. Washington State Governor issued a Stay at Home order for the entire state thru May 4, 2020. Board meetings were restricted to only essential and normal items.

The April 30 due date for property tax extensions, offered by King and Kittitas Counties, did not negatively affect the revenues nor payment of June 1 bond payments.
King County extended the property tax deadline to June 1. Kittitas County offered a Property Tax payment relief plan for those that applied by April 30, 2020, with 3 options:

Option A:	50/50 - No Interest or penalties <ul style="list-style-type: none">50% paid by April 30th, 50% paid by May 31st.
Option B:	25/25/50 - 1% Interest on Total Tax Amount Owed, No Added Penalties <ul style="list-style-type: none">25% paid by April 30th, 25% paid by May 31st, 50% paid by June 30th.
Option C:	Monthly payments through September 30, 2020 – <ul style="list-style-type: none">First half taxes plus 1% Interest per month on Total Tax Amount Owed, May Interest waived-total amount owed divided into 6 equal monthly payments with first payment paid in April.

King and Kittitas County Fire Protection District No. 51
Schedule of Liabilities
For the Year Ended December 31, 2020

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2010 LTGO NON-VOTER APPROVED	12/1/2030	785,000	-	785,000	-
251.12	2010 UTGO VOTER APPROVED (32)	12/1/2030	595,000	-	595,000	-
251.12	2007 UTGO VOTER APPROVED (FD#8)	12/1/2027	295,000	-	295,000	-
251.11	Two - 2013 Ford Super Duty F550 XL Trucks	6/3/2021	16,732	-	10,919	5,813
263.98	COMP TIME	1/1/2030	2,944	4,066	4,094	2,916
251.11	2020 LTGO NON-VOTER APPROVED (639034)	1/6/2031	-	985,000	80,000	905,000
251.11	2020 UTGO VOTER APPROVED BOND (639035)	1/6/2031	-	940,000	80,000	860,000
Total General Obligation Debt/Liabilities:			1,694,676	1,929,066	1,850,013	1,773,729
Total Liabilities:			1,694,676	1,929,066	1,850,013	1,773,729

King and Kittitas County Fire Protection District No. 51
Schedule of Liabilities
For the Year Ended December 31, 2019

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2010 LGTO NON-VOTER APPROVED	12/1/2030	840,000	-	55,000	785,000
251.12	2010 UTGO VOTER APPROVED (32)	12/1/2030	630,000	-	35,000	595,000
251.12	2007 UGTO VOTER APPROVED (FD #8)	12/1/2027	320,000	-	25,000	295,000
251.11	2009 International 4x4 Pumper Truck	2/28/2019	7,746	-	7,746	-
251.11	Two - 2013 Ford Super Duty F550 XL Trucks	6/3/2021	27,305	-	10,573	16,732
Total General Obligation Debt/Liabilities:			1,825,051	-	133,319	1,691,732
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Comp Time	1/1/2030	1,756	5,268	4,080	2,944
Total Revenue and Other (non G.O.) Debt/Liabilities:			1,756	5,268	4,080	2,944
Total Liabilities:			1,826,807	5,268	137,399	1,694,676

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

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

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

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