



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Spokane Valley Fire Department

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

Published September 29, 2022

Report No. 1031181



Find out what's new at SAO
by scanning this code with
your smartphone's camera



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

September 29, 2022

Board of Commissioners
Spokane Valley Fire Department
Spokane Valley, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Spokane Valley Fire Department's financial statements and compliance with federal laws and regulations.

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

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
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 <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	9
Independent Auditor's Report on the Financial Statements.....	13
Financial Section.....	17
About the State Auditor's Office.....	33

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Spokane Valley Fire Department January 1, 2021 through December 31, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Spokane Valley Fire Department are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the Department’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

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

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

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 Department’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

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

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
21.019	COVID-19 – Coronavirus Relief Fund

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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*

Spokane Valley Fire Department January 1, 2021 through December 31, 2021

Board of Commissioners
Spokane Valley Fire Department
Spokane Valley, 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 Spokane Valley Fire Department, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Department's financial statements, and have issued our report thereon dated September 13 2022.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 Department's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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 Department'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, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

September 13, 2022

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Spokane Valley Fire Department January 1, 2021 through December 31, 2021

Board of Commissioners
Spokane Valley Fire Department
Spokane Valley, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Spokane Valley Fire Department, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended December 31, 2021. The Department's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Department's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Department's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also

serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in cursive script that reads "Pat McCarthy". The signature is written in black ink and is positioned above the printed name.

Pat McCarthy, State Auditor

Olympia, WA

September 13, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Spokane Valley Fire Department January 1, 2021 through December 31, 2021

Board of Commissioners
Spokane Valley Fire Department
Spokane Valley, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Spokane Valley Fire Department, as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Spokane Valley Fire Department, and its changes in cash and investments, for the year ended December 31, 2021, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Spokane Valley Fire Department, as of December 31, 2021, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the Department in accordance with state law using accounting practices prescribed by the BARS manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2022 on our consideration of the Department's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 13, 2022

FINANCIAL SECTION

Spokane Valley Fire Department January 1, 2021 through December 31, 2021

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2021
Notes to the Financial Statements – 2021

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2021
Schedule of Expenditures of Federal Awards – 2021
Notes to the Schedule of Expenditures of Federal Awards – 2021

Spokane Valley Fire Department
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021

		Total for All Funds (Memo Only)	010 General	501 Self-funded Medical
Beginning Cash and Investments				
308	Beginning Cash and Investments	24,907,279	22,295,667	2,611,612
388 / 588	Net Adjustments	-	2,611,612	(2,611,612)
Revenues				
310	Taxes	46,258,608	46,258,608	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	1,964,695	1,964,695	-
340	Charges for Goods and Services	971,139	971,139	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	454,512	454,512	-
Total Revenues:		49,648,954	49,648,954	-
Expenditures				
510	General Government	-	-	-
520	Public Safety	45,470,061	45,470,061	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		45,470,061	45,470,061	-
Excess (Deficiency) Revenues over Expenditures:		4,178,893	4,178,893	-
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	4,971,484	4,971,484	-
Total Other Increases in Fund Resources:		4,971,484	4,971,484	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	2,981,313	2,981,313	-
591-593, 599	Debt Service	299,299	299,299	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		3,280,612	3,280,612	-
Increase (Decrease) in Cash and Investments:		5,869,765	5,869,765	-
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	4,679,988	4,679,988	-
50841	Committed	157,652	157,652	-
50851	Assigned	-	-	-
50891	Unassigned	25,939,402	25,939,402	-
Total Ending Cash and Investments		30,777,042	30,777,042	-

The accompanying notes are an integral part of this statement.

**SPOKANE VALLEY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENT
For the year ended December 31, 2021**

Note 1 – Summary of Significant Accounting Policies

The Spokane Valley Fire Department was incorporated in 1940 and operates under the laws of the state of Washington applicable to a Fire Protection District. The Spokane Valley Fire Department is a Special Purpose local government and provides fire protection services and emergency medical services including advanced life support (paramedic) care to the general public and is supported primarily through property taxes.

The department 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.
- 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.

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.

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 \$5,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

The Spokane Valley Fire Department employees' compensated absences balances are based on either a union labor agreement, a non-union policy for administrative staff and support personnel, or personal service contracts for managers.

Under the personal service contracts for managers, employees may carry over various amounts of vacation pay which is 100% payable upon separation or retirement and are permitted to sell back a portion of their leave. Sick leave accumulates monthly, however, on January 31, all members shall be paid at the rate of 25% of their hourly wage rate, for every hour of sick leave that they have accrued beyond 1,040 hours at the end of the prior calendar year and then those hours will be removed from their sick leave accruals. Upon separation from the department in good standing, retirement through DRS or an employee's death, the value of any accrued sick leave hours will be paid to the employee-or their beneficiary at a rate of twenty-five percent (25%) of the employee's hourly wage rate.

Under the policy for non-union employees, vacation pay may accumulate up to 180 hours and is 100% payable upon separation or retirement and are permitted to sell back up to 60 hours. Sick leave accumulates monthly, however, on January 31, all members shall be paid at the rate of 25% of their hourly wage rate, for every hour of sick leave that they have accrued beyond 1,040 hours at the end of the prior calendar year and then those hours will be removed from their sick leave accruals. Upon separation from the department in good standing, retirement through DRS or an employee's death, the value of any accrued sick leave hours will be paid to the employee-or their beneficiary at a rate of twenty-five percent (25%) of the employee's hourly wage rate. Non-union employees may accrue one and one-half hours of comp time for each hour worked. Any hours above twenty-eight hours will be paid as straight time. Any accrued hours will be paid at straight time upon separation.

Under the International Association of Machinists and Aerospace Workers Local 751 union labor agreement, vacation pay may accumulate up to 160 hours, 96 for couriers, and is 100% payable upon separation or retirement. Sick leave accumulates monthly, however, on January 31, all members shall be paid at the rate of 25% of their hourly wage rate, for every hour of sick leave that they have accrued beyond 1,040 hours at the end of the prior calendar year and then those hours will be removed from their sick leave accruals. Part-time employees accrue one hour of sick leave for each forty hours worked; any hours beyond forty will be lost if not utilized prior to the end of the year. With a retirement through DRS or an employee's death, the value of any accrued sick leave hours, up to 1,040 hours, for full-time employees will be paid to the employee, or their beneficiary, at a rate of twenty percent (20%) of the employee's hourly wage rate. Employees may accrue one and one-half hours of comp time for each hour worked. Any hours above twenty-eight hours will be paid as straight time. Any accrued hours will be paid at straight time upon separation.

Under the Chiefs Association Local 3701 union labor agreement, vacation pay may accumulate up to 264 hours for day officers and up to 312 hours for shift officers per year. Officers may carry over up to 144 hours of earned vacation per year and are permitted to sell back up to 80 hours for day officers and 96 hours for shift officers. All accrued and carried over vacation hours are 100% payable upon separation or retirement. Sick leave accumulates monthly, however, on January 31, all members shall be paid at the rate of 25% of their hourly wage rate for every hour of sick leave that they have accrued at the end of the prior calendar year beyond 1,040 hours for day employees and 1,440 for shift employees and then those hours will be removed from their sick leave accruals. With a retirement through DRS or an officer's death, the value of any accrued sick leave hours will be paid to the officer's VEBA, or their beneficiary, at a rate between zero to seventy-five percent (75%) of the officer's hourly wage rate of their permanent rank, depending on the amount of notice given. Employees may accrue one hour of comp time for each hour worked. Any hours above forty-eight hours will be paid as straight time. Any accrued hours will be paid at straight time upon separation.

Under the International Association of Firefighters Local 876 union labor agreement, vacation pay may accumulate up to 312 hours for shift employees and 240 hours for day employees. It is 100% payable upon separation or retirement. Upon separation or retirement, sick leave accruals are payable at 25% annually. On January 31, all members shall be paid at the rate of one quarter (25%) of their hourly wage rate for every hour of sick leave that they have accrued at the end of the prior calendar year beyond 1,440 hours for shift members and 1,040 hours for day members and those hours will be removed from their sick leave accrued hours. Employees may accrue one- and one-half hours of comp time for each hour worked. Any hours above ninety-six hours will be paid at straight time. Any accrued hours will be paid at straight time upon separation.

Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5 – Long-term Debt (Formerly 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 resolutions adopted by the Board of Fire Commissioners. When expenditures that meet restrictions are incurred, SVFD intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

1. Capital Expense Account (Committed) – The account was established by Resolution #97-120 on December 17, 1997. It was established for the purpose of restricting property sales monies so designated by the Board of Fire Commissioners to be spent for future properties and construction. The account balance as of December 31, 2021, was \$0.
2. Public Education and Fire Investigations Account (Committed) – The account was established by Resolution #2006-275 on December 5, 2006. Its purpose is to restrict any court awarded restitution monies received by the department to be used only for public education and fire investigations. The account balance as of December 31, 2021, was \$16,529.98.

3. IBNR/Contingency Reserve Account (Restricted) – This account was established by Resolution #2008-304 on June 16, 2008. This Contingency account supplements the annual budget for the Department's self-insurance medical program to bring its commitment to the program to a level required by the State Office of Financial Management. The account was initially funded at \$650,000.00 and was still at that level as of December 31, 2021.
4. Communication Trailer Mobilization Reimbursements Account (Committed) - This account was established by Resolution #2008-310 on October 20, 2008. Its purpose is to restrict the reimbursed monies for the use of the communications trailer at mobilizations for trailer maintenance cost and replacement of supplies used during the mobilization. The account balance as of December 31, 2021, was \$132,291.79.
5. Fire Safety Alarms Reserve Account (Committed) – This account was established by Resolution #2018-449 on February 26, 2018. Its purpose is to restrict fire safety alarm donation funds for the purchase of additional fire safety alarms. The account balance as of December 31, 2021, was \$8,830.50.
6. Pension/Other Post-Employment Benefits (OPEB) Reserve Account (Restricted) – This account was established due to GASB 75. Prior to 2018, pension and OPEB revenues and expenditures were reported in a pension fund. The fund is not considered a qualifying trust and therefore must be included in the General Fund. The account balance as of December 31, 2021, was \$1,359,465.86.
7. Self-Insured Medical – Imprest Funds (Restricted) – This account was established by contract with the Third-Party Administrators (United Health Care and Premiera). The account balance with United Health Care as of December 31, 2021, was \$0. The account balance with Premiera as of December 31, 2021, was \$17,778.40.
8. Self-Insured Medical Managerial Fund (Restricted) – This account was previously accounted for as an Internal Service Fund. Due to recent guidance, this is now included in the General Fund. These funds are restricted to pay for expenses related to the self-insured medical program. The account balance as of December 31, 2021, was \$2,652,743.69.

Note 2 - Budget Compliance

The Spokane Valley Fire Department adopts annual appropriated budgets for the General Fund and two Managerial funds. 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	Actual Expenditures	Variance
General Fund	\$52,018,255	\$44,136,306	\$7,881,949
Self-Funded Medical Managerial Fund	\$4,651,125	\$4,414,226	\$236,899
Pension Managerial Fund	\$1,668,500	\$1,200,142	\$468,358
Total General Fund	\$58,337,880	\$49,750,674	\$8,087,206

Budgeted amounts are authorized to be transferred between programs or 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 Spokane Valley Fire Department's 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 COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The precautionary measures taken in response to the COVID-19 virus have already had at least some degree of financial and operational impact on Spokane Valley Fire Department.

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

Note 4 – Deposits and Investments

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

Type of deposit or investment	SVFD's deposits and investments
Bank deposits-Imprest funds	\$17,778
Spokane County Investment Pool	\$30,759,264
Total	\$30,777,042

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

Investments in Spokane County Investment Pool

The Spokane Valley Fire Department is a voluntary participant in the Spokane 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 Spokane County Finance Committee in accordance with RCW 36.48.070. The Spokane Valley Fire Department reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

All investments are insured, registered, or held by the Spokane Valley Fire Department or its agent in the government's name.

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 Spokane Valley Fire Department and summarizes the department's debt transactions for year ended December 31, 2021.

	Principal	Interest	Total
2022	\$541,218.54	\$18,177.14	\$559,395.68
2023	\$433,715.74	\$8,631.15	\$442,346.89
Total	\$974,934.28	\$26,808.29	\$1,001,742.57

The 2021 payment to LN Curtis was \$270 more than the debt schedule. The 2023 amount has been adjusted to reflect the difference.

Note 6 – Other Disclosures - Significant Commitments or Obligations

SVFD has active construction projects as of December 31, 2021. The project includes a new maintenance facility.

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

Project	Spent to Date	Remaining Commitment
Maintenance Facility	\$252,894	\$9,058,916

Of the committed balance of \$9,058,916, the department has \$7,500,000 funds included in the 2022 budget.

Note 7 – OPEB Plans

The Spokane Valley Fire Department provides a LEOFF I Retiree Medical Plan. It is a closed, single-employer, defined-benefit OPEB plan. The 41.18 plan is administered by the Spokane Valley Fire Department LEOFF I Pension Board as required by RCW 41.18.015. The 41.26 plan is administered by the Spokane County LEOFF I Pension Board as required by RCW 41.26.110. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. The OPEB liability as of December 31, 2021, was \$15,965,465. As of December 31, 2021, the plan had thirteen (13) 41.18 members and thirty-two (32) 41.26 members, all retirees. For the year ended December 31, 2021, the Spokane Valley Fire Department paid \$825,167.11 in benefits.

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all Spokane Valley Fire Department'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.

Public Employees' Retirement System (PERS) Plans 2 and 3
Law Enforcement Officers' and Firefighters' Retirement (LEOFF) Plan 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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

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

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

At June 30, 2021 (the measurement date of the plans), the Spokane Valley Fire Department'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	\$85,501	0.011478%	\$140,173
PERS 2/3	\$139,622	0.014739%	(\$1,468,242)
LEOFF 1	\$0	0.155333%	(\$5,321,028)
LEOFF 2	\$1,096,475	0.550041%	(\$31,948,658)

LEOFF Plan 1

The Spokane Valley Fire Department also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The Spokane Valley Fire Department 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.

B. Other Retirement System – Firemen’s Pension Retirement Fund

The Spokane Valley Fire Department is the administrator of the Firemen’s Pension Retirement System. This system is a closed system in that the membership is limited to firemen employed prior to October 1, 1977. The system is shown as a trust fund in the financial reports of the Department. The Department’s liability under the system is composed of all benefits for firemen retired prior to March 1, 1970, partial benefits for certain firemen retired after March 1, 1970, who are mainly covered by LEOFF and certain medical benefits for all LEOFF 1 fire fighters.

The Pension obligation is funded on a pay-as-you-go basis with a yearly allocation from the Department’s General Fund, investment earnings and fire premium tax monies received from the State of Washington. The Net Pension Liability as of December 31, 2021, was \$1,474,622. The Department contributed \$374,009 in 2021.

Note 9 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month, except December, which is distributed by December 31.

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

The Spokane Valley Fire Department's regular levy for the year 2021 was \$1.1242 per \$1,000 on an assessed valuation of \$16,306,580,496 for a total regular levy of \$18,332,506. Additionally, the Department's special levy was \$1.7034 per \$1,000 on an assessed valuation of \$16,143,607,743, primarily for M & O purposes and some capital, for a total of \$27,499,740.

Note 10 – Risk Management

The Department maintains insurance against most normal hazards except for unemployment insurance, where it has elected to become self-insured. As self-insured, actual employee claims are paid by the Washington State Department of Employment Security and then reimbursed by the Department. This self-insurance program costs the department less than full participation in the state unemployment compensation program.

Resolution #2005-248, approved on October 17, 2005, established, effective January 1, 2006, a self-insured medical program which is administered by a third-party administrator or administrators and re-insured through purchase of individual and aggregate stop loss insurance.

Spokane Valley Fire Department is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987, pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose departments throughout the state.

The Enduris' program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a "claims made" coverage form. All other coverage is provided on an "occurrence" coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

Property ^{(2):}				
Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense(EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ^{(5):}				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0
Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
Crime Blanket ⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber ⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
<p>(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.</p> <p>(2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.</p> <p>(3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.</p> <p>(4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.</p> <p>(5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.</p> <p>(6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.</p> <p>(7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.</p> <p>(8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.</p> <p>(9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.</p> <p>(10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.</p>				

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

**Spokane Valley Fire Department
Schedule of Liabilities
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.85	Aerial Ladder - Spokane County	3/15/2022	344,464	-	228,669	115,795
263.51	PNC Pumper Lease/Purchase	3/26/2023	-	734,078	-	734,078
263.51	SCBA bottle lease/purchase	2/1/2023	-	185,084	60,023	125,061
Total General Obligation Debt/Liabilities:			344,464	919,162	288,692	974,934
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		2,561,857	2,171,004	-	4,732,861
264.30	Net Pension Liability		630,593	-	490,420	140,173
264.30	Fireman's Pension Fund		1,730,966	-	256,344	1,474,622
264.40	Fireman's 41.18/41.26 OPEB		16,541,809	-	576,344	15,965,465
Total Revenue and Other (non G.O.) Debt/Liabilities:			21,465,225	2,171,004	1,323,108	22,313,121
Total Liabilities:			21,809,689	3,090,166	1,611,800	23,288,055

Spokane Valley Fire Department
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

				Expenditures				Note
				From Pass-Through Awards	From Direct Awards	Total	Passed through to Subrecipients	
Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number					
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Spokane County)	COVID 19 - Coronavirus Relief Fund	21.019	Zoll-Cares	1,693,274	-	1,693,274	-	4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Michigan Public Health Institute)	Assistance to Firefighters Grant	97.044	MPHI stipend	300	-	300	-	4
Total Federal Awards Expended:				1,693,574	-	1,693,574	-	

The accompanying notes are an integral part of this schedule.

SPOKANE VALLEY FIRE DEPARTMENT
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the Spokane Valley Fire Department's financial statements. The Spokane Valley Fire Department 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.

Note 2 – Federal De Minimis Indirect Cost Rate

The amount expended includes \$0.00 claimed as an indirect cost recovery. The Spokane Valley Fire Department has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. SVFD does not charge for indirect costs.

Note 3 – Federal Indirect Cost Rate

The amount expended includes \$0.00 claimed as an indirect cost recovery. SVFD does not charge for indirect costs.

Note 4 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Spokane Valley Fire Department's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Reported expenditures have been reduced to reflect a refund of \$14,709.21 received in January 2022.

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov