



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements Audit Report**

# **West Benton Regional Fire Authority**

**(West Benton Fire Rescue)**

**For the period January 1, 2022 through December 31, 2022**

*Published May 28, 2024*

Report No. 1034866



Scan to see another great way  
we're helping advance  
#GoodGovernment



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

May 28, 2024

Board of Commissioners  
West Benton Fire Rescue  
Prosser, Washington

**Report on Financial Statements**

Please find attached our report on West Benton Fire Rescue's financial statements.

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

Sincerely,

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](mailto:webmaster@sao.wa.gov).*

## TABLE OF CONTENTS

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> .....	4
Independent Auditor's Report on the Financial Statements .....	7
Financial Section .....	11
About the State Auditor's Office .....	25

## 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*

#### **West Benton Fire Rescue January 1, 2022 through December 31, 2022**

Board of Commissioners  
West Benton Fire Rescue  
Prosser, 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 West Benton Fire Rescue, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 20, 2024.

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.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District'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 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We noted certain other matters that we have reported to the management of the District in a separate letter dated May 20, 2024.

## **REPORT ON 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 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 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

May 20, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **West Benton Fire Rescue January 1, 2022 through December 31, 2022**

Board of Commissioners  
West Benton Fire Rescue  
Prosser, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of West Benton Fire Rescue, as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the financial section of our report.

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

As described in Note 1, the District 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 West Benton Fire Rescue, and its changes in cash and investments, for the year ended December 31, 2022, 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 West Benton Fire Rescue, as of December 31, 2022, 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 District, 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 District 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 District'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 District'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 District'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 an opinion on the financial statements that collectively comprise the District's financial statements. 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 as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024 on our consideration of the District'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 District'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 District'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

May 20, 2024

## **FINANCIAL SECTION**

### **West Benton Fire Rescue January 1, 2022 through December 31, 2022**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2022  
Notes to Financial Statements – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2022

**West Benton Regional Fire Authority**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	1,437,131
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	1,931,060
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,125
340	Charges for Goods and Services	52,003
350	Fines and Penalties	-
360	Miscellaneous Revenues	63,958
Total Revenues:		2,048,146

**Expenditures**

510	General Government	-
520	Public Safety	1,276,245
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		1,276,245
Excess (Deficiency) Revenues over Expenditures:		771,901

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	1,046,556
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	510
Total Other Increases in Fund Resources:		1,047,066

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	1,035,812
591-593, 599	Debt Service	313,573
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		1,349,385

**Increase (Decrease) in Cash and Investments: 469,582**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	184,827
50841	Committed	315,824
50851	Assigned	-
50891	Unassigned	1,411,912
<b>Total Ending Cash and Investments</b>		<b>1,912,563</b>

*The accompanying notes are an integral part of this statement.*

**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The West Benton Regional Fire Authority was incorporated on July 21st, 2014, and operates under the laws of the state of Washington applicable to a Regional Fire Authority. West Benton Fire Rescue is a special purpose local government and provides fire protection and emergency medical services to the general public.

West Benton Fire Rescue 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 different from the ending net position classifications 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.

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.

**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**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 3 - Deposits and Investments.**

**D. CAPITAL ASSETS**

Capital assets are assets with an initial individual cost of more than \$1,000 and an estimated useful life more than 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

**E. COMPENSATED ABSENCES**

Vacation Leave / Union Employees:

Vacation leave is addressed in the collective bargaining agreement Article 22 Section 22-02 and Paid Leave is addressed in Section 22.01. Union Employees shall accrue vacation time as set forth below, based on length of service with the WBRFA.

Section 22.02 of the bargaining agreement for union employees shall accrue vacation time on the following basis:

Months of Service	Monthly Accrual in Hours/Day Schedule	Monthly Accrual in Hours/24 Hr. Schedule
<b>0-59</b>	<b>10.00</b>	<b>14</b>
<b>60-119</b>	<b>12.5</b>	<b>17.5</b>
<b>120+</b>	<b>13.50</b>	<b>19</b>

For the day shift employees, accumulation of vacation shall not exceed 200 hours at year's end. For 24-hour shift employees, accumulation of vacation shall not exceed 280 hours at year's end. On termination of employment the total balance of vacation accrual shall be paid to the employee at the current hourly rate.

**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

Sick Leave / Union Employees:

Sick leave accrual shall not exceed 1440 hours. For union employees who reach the maximum amount of sick leave accrual, WBRFA will contribute an amount equal to 50% of every hour earned above the 1,440-hour threshold to a VEBA account. An employee whose employment terminates during the first six (6) months must repay the WBRFA for sick leave used more than the accrual rate for the period of actual employment. On termination of employment the total balance of sick accrual will not be paid to the employee.

Sick leave shall be accrued by each union employee at the following rates:

Day Scheduled Staff	24 Hour Scheduled Staff
<b>8 Hrs. per Month</b>	<b>24 Hrs. per Month for the First 12 Months of Employment</b>
	<b>12 Hrs. Per Month from the 13th Month of Employment and Beyond</b>

Vacation Leave / Fire Chief:

Vacation shall accrue 13.5 hours per month, not to exceed 300 hours at the end of the calendar year. Upon resignation, retirement, death or disability, the Fire Chief (or his estate) shall receive all compensation earned prior to the resignation date together with accrued unused vacation pay provided the required retirement or resignation notice is provided.

Vacation Leave / Administrator:

Shall accrue 8 hours of paid vacation per month, not to exceed 40 hours at the end of the calendar year.

In 2022 the district employed (3) Day Shift Captains. February 2022 a transfer to the 24-Hr shift was implemented. (3) Day Shift Captains transferred from a work schedule of 4/10's. The 4/10's schedule computes to 2085 hours annually (40 hours per week x 52.14 weeks per year). The 24-Hrs Shift Schedule or 48/96 schedule computes to 2920 hours annually (56 hours per week x 52.14 weeks per year). Hours worked more than 40 hours but not exceeding 53 (per FLSA 7k exemption) in a single Sunday to Saturday week will be compensated at straight time. Hours worked over 53 hours in a single week will be compensated at 1 ½ time. September of 2022 the district signed the collective bargaining agreement (CBA) Local Union 1052 for the term of 3 years from 1/1/2022-12/31/2024, backpay from 1/2022-9/2022 was paid out in November 2022. The contract supersedes the previous agreement and serves as the party's CBA until a new CBA is negotiated. The 2022-2024 contract requires the district to hire (3) Firefighter positions covered in Section 37.01 Premium Pay of "Attachment A" of the agreement. The Firefighter leave benefits are defined within the Day/Shift Captains position. Firefighter#1 position was filled on 12/31/22 per the (CBA), with initial start date 1/1/23. An increase to union employee wages was agreed within the 2022-2024 contract. Year end of 2022 the district employed the following: (1) New Fire Chief, district added and filled new position of (1) Deputy Fire Chief, (1) Office Administrator, (3) 24-Hr Shift Captains, added to the chart of organization of (3) Firefighter positions. (1) employee resigned, (3) new employees hired. New position Deputy Fire Chief was created and filled. The compensated absences for these non-union positions are detailed in the agreed upon terms in the employment (CBA) contract. Conversion Factor for Shift Transfers is outlined in the (CBA) Section 16.01(c), The ratio or percentage difference in hours worked going from a day's schedule to shift work is calculated by dividing shift hours by the day hours. 2920/2085=1.4

**West Benton Regional Fire Authority**

**MGAC 3169**

**Notes to the Financial Statements**

**For the year ended December 31, 2022**

conversion factor. Conversion factor applied to compensated absences bank at the end of 2022. The 4/10 schedule hourly pay rate at year end 2022 for each employee was the numeric factor used in the reported compensated absence balances.

Payments for accrued leave are recognized as expenditures at the time they are paid. The district's liability for vacation and sick leave employment separation benefits as of December 31, 2022, is reported on Schedule 9.

**F. 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 the Board of County Commissioners. 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 \$679,750 in the EMS Fund that is reserved for EMS operations.

**NOTE 2 - BUDGET COMPLIANCE**

The district adopts annual appropriated budgets for all 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:

<b>Fund</b>	<b>Expenditure Budget</b>	<b>Actual</b>	<b>Variance</b>
General Fund - 001	2,038,266	1,407,057	631,209
Equipment - 002	6,500	-	6,500
Apparatus Replacement - 003	233,919	-	233,919
Facility Replacement - 004	75,250	-	75,250
Reserve Fund - 005	-	-	-
Admin Fund - 006	-	-	-
Reserve Fund -101	-	184,827	(184,827)
Debt Funds/Capital Funds - 200	-	315,824	(315,824)
Advance Travel - 400	-	2,148	(2,148)
<b>Combined Fund Totals</b>	<b>2,353,935</b>	<b>1,909,855</b>	<b>444,080</b>

Budgeted amounts are authorized to be transferred between fund/object classes within departments; 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 districts legislative body.



**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Investments are reported at fair value. Deposits and investments by type on December 31, 2022, are as follows:

Type of Deposit or Investment	Benton County Treasurer	District's Own Deposit's	Combined
Property Taxes	1,936,912.22		1,936,912.22
Intergovernmental Revenues - Grant	1,125.00		1,125.00
Charge for Goods and Services	52,002.13		52,002.13
Investment Interest	22,676.69		22,676.69
Miscellaneous Revenue Sources	41,791.45		41,791.45
<b>Totals</b>	<b>2,054,507.49</b>		<b>2,054,507.49</b>

It is the district's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. As of December 31, 2022, the District had a total balance on deposit at Benton County of \$1,912,562.09.

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 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](http://www.tre.wa.gov).

**NOTE 4 - 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. The district's regular levy for the year 2022 was \$1.35 per \$1,000 on an assessed valuation of \$ 1,459,370,186 for a total regular levy of \$1,974,527.86.

Levy Type	Per / \$1,000	Assessed Valuation	Amount
Regular	1.35	1,459,370,186	1,974,527.86
<b>Total 2022 Tax Levy</b>			<b>1,974,527.86</b>

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.

**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**NOTE 5 – LONG TERM DEBT (FORMERLY DEBT SERVICE REQUIREMENTS)**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District debt transactions for year ended December 31, 2022.

Year	Principal	Interest	Total Debt Service
2023	226,426	89,397	315,824
2024	233,940	78,672	312,611
2025	172,040	67,450	239,490
2026-2030	957,773	209,122	1,166,896
2031-2035	216,291	51,069	267,360
2036-2038	150,000	9,067	159,067
<i>Totals</i>	1,956,470	504,778	2,461,248

**NOTE 6 – OPEB PLANS**

**Medical Expense Reimbursement Plan (MERP):** The International Association of Fire Fighters (IAFF) Medical Expense Reimbursement Plan (MERP) was established in 1999 as a 501(c)(9) tax-exempt union sponsored plan to allow fire fighters to plan for retirement medical expenses in a highly tax-advantaged manner. The IAFF MERP is a multiemployer VEBA Retiree Medical Trust. IAFF MERP is governed by fire fighter fiduciary Trustees. The Trustees are fiduciaries, responsible for all aspects of plan governance. IAFF MERP is a Pooled Account that acts like a pension fund to provide a lifetime stream of monthly benefits to the Plan's Eligible Retirees. The account is funded through monthly contributions. The Pooled Account is professionally invested without individual employees managing the investment allocations. All represented employees of the district are eligible to participate in Washington State Council of Firefighters (WSCFF) Medical Expense Reimbursement Plan (MERP). The Lifetime Monthly Benefits for a retired employee are determined by the number of Active Service Units one has accrued during his/her active employment. The WBRFA contributes \$75 per month per represented employee to the Washington State Council of Fire Fighters Medical Expense Reimbursement Plan. For the year ended December 31, 2022, the district contributed \$2,625.00 for five (5) active qualifying members. Personnel changes occurred during 2022, with (2) active members withdrawing from the plan. This is represented in the table below.

Plan Name	Plan	Type (DBP)	Plan Description	# of Active	# of Retired	Employer	Liability
MERP	WSCFF	DBP	Health Reimbursement	3.00	-	2,400.00	2,400.00
MERP	WSCFF	DBP	Health Reimbursement	-	2.00	225.00	225.00
						<b>Total</b>	<b>2,625.00</b>

**A. State Sponsored Pension Plans**

Substantially all WEST BENTON REGIONAL FIRE AUTHORITY'S full-time union and non-union 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.

**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

\*Public Employee's Retirement Systems (PERS 2) and

\*Law Enforcement Officers' and Fire Fighters Retirement System (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](http://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](http://www.ofm.wa.gov).

On June 30, 2022 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan Type	DRS-Schedule of Employer and Non Employer Allocations		DRS-Schedule of Collective Pension Amounts - 2022		Ending Balance 12/31/2022
	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	
PERS 1 UAAL	2,398.29	0.00039100%	2,784,367,000	10,887	
PERS 2/3	4,086.94	0.00050900%	(3,708,781,000)		(18,878)
LEOFF 2	20,769.92	0.01014300%	(2,717,698,000)		(275,656)
VFFRPF	13,230.00	0.330000%	(28,264,000.00)		(93,648)
		<b>Totals</b>	<b>\$ (3,670,376,000)</b>	<b>\$ 10,887</b>	<b>\$ (388,182)</b>

Only the net pension liabilities are reported on the Schedule 09.

LEOFF Plan 1

The district does not participate in a LEOFF Plan 1.

LEOFF Plan 2

The district 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

## West Benton Regional Fire Authority

### MGAC 3169

#### Notes to the Financial Statements

#### For the year ended December 31, 2022

Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

#### **B. Defined Contribution Pension Plans**

All of the district's full-time members are eligible to participate in a 457(b) defined contribution plan administered by Washington State Department of Retirement Systems (DRS). The District agrees to match the union employee participant's contributions to the deferred compensation program of four percent (4%) of the employee participant's top step monthly wage. The District agrees to match the non-union employee's contributions to the deferred compensation program of four percent (4%) of the employee participant's contracted monthly wage. The combined maximum contributions of the plan participant shall not exceed annual IRS maximum for such plans.

Plan Name	Plan Administrator	Type (DBP)	Plan Description	# of Active	# of Retired	Employer	Liability
DCP	WA. ST.	DCP	Health Reimbursement	4.00	-	11,287.00	11,287.00
DCP	WA. ST.	DCP	Health Reimbursement	-	1.00	245.40	245.40
						<b>Total</b>	<b>11,532.40</b>

#### **NOTE 7 – PAID FAMILY MEDICAL LEAVE ACT SELF-INSURANCE**

The West Benton Fire Rescue is under the 50 employees, the Fire District does not contribute to State of Washington's Paid Family & Medical Leave Program. West Benton Fire Rescue reports on a quarterly basis to Employment Security Department. The West Benton Fire Rescue paid \$0.00 in claims during 2022 and withheld \$2,048.93 of employee deducted premiums at fiscal year-end December 31, 2022.

#### **NOTE 8 – LEASES**

The district initiated a 60-month lease agreement in 2021 for a Ricoh copier 60-month at a rate of \$367 per month. The initial payment was paid June of 2021, and the total paid for the year was \$2,569.00. \$4,404.00 was reported in lease payments in error and adjustments made to the schedule 09 in the reporting year 2022 to correct. The total amount paid for leases in the current reporting as of December 31, 2022, was \$4,404.00. The future lease payments are as follows: (Year End December 31, 2023: Total of 4,404.00), (Year End 2024: Total of 4,404.00), (Year End 2025: Total of 4,404.00), (Year End 2026: 1,835.00), Total Debt Liability remaining as of December 31, 2022, was \$15,047.00. The future lease payments are as follows:

Year	Lease Payments
2023	4,404
2024	4,404
2025	4,404
2026	1,835
<b>Total</b>	<b>15,047.00</b>

#### **NOTE 9 – COVID-19 PANDEMIC**

## **West Benton Regional Fire Authority**

### **MGAC 3169**

#### **Notes to the Financial Statements**

##### **For the year ended December 31, 2022**

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.

#### **COVID 19 Pandemic Disclosure Details**

Precautions were taken for building access according to CDC and employee activity according to L & I recommended guidelines.

The district did not receive any donated supplies or equipment for COVID 19 in 2022.

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 10 – RISK MANAGEMENT**

The district purchases private insurance to insure property and liability risks with the company called Enduris. The district provides health and welfare insurance to its employees through the purchase of a health insurance company called Trusteed Plan Service Corp. The district ensures worker compensation benefits by paying premiums to the Washington State Department of Labor and Industries.

West Benton Fire Rescue 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, 2022, there were 527 Enduris members representing a broad array of special purpose districts 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 policy. Pollution and Cyber coverage are provided on a claim made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

**West Benton Regional Fire Authority**  
**MGAC 3169**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

Coverage	Coverage Type	Pool Self-Insured Retention	Excess / Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b><u>Liability:</u></b>				
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 <sup>(2)</sup>	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 <sup>(3)</sup>
(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) The Pool fully funds terrorism liability i.e., no excess/reinsurance is procured.				
(3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived				

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.

#### NOTE 11 – OTHER DISCLOSURES

##### FUNDS MERGED

The month of August 2022, Benton County initiated new financial software. The software did not allow more than (3) Funds for the district. The district merged the Equipment Replacement 002, Apparatus

**West Benton Regional Fire Authority**

**MGAC 3169**

**Notes to the Financial Statements**

**For the year ended December 31, 2022**

Replacement 003, Facility Replacement 003 to Debt/Capital Fund. The Admin Refund 005 merged into the General Fund, Emergency Reserve Fund 005 fund name was changed to Fund 101, and General Fund remained.

**STATE AUDIT – FY2022**

Several Corrections were made to the 2022 Annual report. The notes to the financial statement were edited with the amended tables, and the associated information with each note. The Schedule 09 was reviewed, and the Copier Lease principal balance was reduced in the amount of \$1,835 to reflect the begin date when the new contract payments were made, and the Lease Disclosure was added to the notes to financial statement. The additions and reductions for the Schedule 09 Local Loan 2021-A was entered to reflect actual principal ending balance for FY2022, and Net Pension Liability was corrected from the overstated amount of \$1,077,800 to \$10,887, caused by misplacement of the decimal. Note 6 for OPEB had additional statements to clarify that the employer does contribution the monthly cost to this Post Employment Benefit.

**West Benton Regional Fire Authority**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2022**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
263.81	USDA Bond Resolution 2018-12	12/20/2038	664,244	-	28,232	636,012
263.91	LP_2020A	12/1/2024	205,000	-	65,000	140,000
263.91	LP_2021A	12/1/2030	571,594	1,046,556	452,739	1,165,411
239.7	Copier Lease	12/15/2026	19,451	-	4,404	15,047
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,460,289</b>	<b>1,046,556</b>	<b>550,375</b>	<b>1,956,470</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences	12/31/2022	24,039	50,050	-	74,089
264.3	Pension Liabilities	12/31/2022	326,619	-	315,732	10,887
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>350,658</b>	<b>50,050</b>	<b>315,732</b>	<b>84,976</b>
<b>Total Liabilities:</b>			<b>1,810,947</b>	<b>1,096,606</b>	<b>866,107</b>	<b>2,041,446</b>



## 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](http://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](http://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](mailto:webmaster@sao.wa.gov)