



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Spokane County Fire Protection District No. 13

(Newman Lake Fire and Rescue)

For the period January 1, 2022 through December 31, 2023

Published September 9, 2024

Report No. 1035439



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

September 9, 2024

Board of Commissioners
Newman Lake Fire and Rescue
Newman Lake, Washington

Report on Financial Statements

Please find attached our report on Newman Lake Fire and 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

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INDEPENDENT AUDITOR'S REPORT

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

Newman Lake Fire and Rescue January 1, 2022 through December 31, 2023

Board of Commissioners
Newman Lake Fire and Rescue
Newman Lake, 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 Newman Lake Fire and Rescue, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated August 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 audits 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.

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

August 20, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Newman Lake Fire and Rescue January 1, 2022 through December 31, 2023

Board of Commissioners
Newman Lake Fire and Rescue
Newman Lake, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Newman Lake Fire and Rescue, as of and for the years ended December 31, 2023 and 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 Newman Lake Fire and Rescue, and its changes in cash and investments, for the years ended December 31, 2023 and 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 Newman Lake Fire and Rescue, as of December 31, 2023 and 2022, or the changes in financial position or cash flows thereof for the years 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:

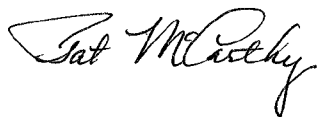
- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Schedules of Liabilities are 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 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 August 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, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

August 20, 2024

FINANCIAL SECTION

Newman Lake Fire and Rescue January 1, 2022 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023

Fund Resources and Uses Arising from Cash Transactions – 2022

Notes to the Financial Statements – 2023

Notes to the Financial Statements – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023

Schedule of Liabilities – 2022

Spokane County Fire Protection District No. 13
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	032 Operating Fund	265 UTGO Bond 2-Debt Service	266 LTGO Bond -Debt Service
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,083,774	584,911	34,709	1,257
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	837,792	755,426	82,366	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1,929	1,929	-	-
340	Charges for Goods and Services	13,382	13,382	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	34,078	22,007	1,471	103
Total Revenues:		887,181	792,744	83,837	103
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	666,301	666,301	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		666,301	666,301	-	-
Excess (Deficiency) Revenues over Expenditures:		220,880	126,443	83,837	103
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	358,010	-	-	82,700
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	114,437	114,437	-	-
Total Other Increases in Fund Resources:		472,447	114,437	-	82,700
Other Decreases in Fund Resources					
594-595	Capital Expenditures	122,920	-	-	-
591-593, 599	Debt Service	228,726	-	83,100	82,700
597	Transfers-Out	358,010	295,085	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		709,656	295,085	83,100	82,700
Increase (Decrease) in Cash and Investments:		(16,329)	(54,205)	737	103
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	37,502	2,057	35,445	-
50841	Committed	1,888	-	-	1,360
50851	Assigned	499,407	-	-	-
50891	Unassigned	528,652	528,652	-	-
Total Ending Cash and Investments		1,067,449	530,709	35,445	1,360

The accompanying notes are an integral part of this statement.

Spokane County Fire Protection District No. 13
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		267 LTD SCIP Debt Service	361 Capital Project - Apparatus	362 Capital Project -General	363 Construction & Equipment
Beginning Cash and Investments					
308	Beginning Cash and Investments	495	122,553	8,736	331,113
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	32	3,683	218	6,564
Total Revenues:		32	3,683	218	6,564
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		32	3,683	218	6,564
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	62,925	54,000	-	158,385
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		62,925	54,000	-	158,385
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	4,395	-	118,525
591-593, 599	Debt Service	62,926	-	-	-
597	Transfers-Out	-	-	-	62,925
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		62,926	4,395	-	181,450
Increase (Decrease) in Cash and Investments:		31	53,288	218	(16,501)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	528	-	-	-
50851	Assigned	-	175,841	8,954	314,612
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		528	175,841	8,954	314,612

The accompanying notes are an integral part of this statement.

Spokane County Fire Protection District No. 13
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	032 Operating Fund	265 UTGO Bond 2-Debt Service	266 LTGO Bond -Debt Service
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,140,813	571,367	33,818	1,204
388 / 588	Net Adjustments	12,404	12,404	-	-
Revenues					
310	Taxes	835,878	751,342	84,536	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	2,409	2,409	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	16,656	10,733	1,104	53
Total Revenues:		854,943	764,484	85,640	53
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	657,282	657,282	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		657,282	657,282	-	-
Excess (Deficiency) Revenues over Expenditures:		197,661	107,202	85,640	53
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	460,383	-	-	84,350
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	88,660	88,660	-	-
Total Other Increases in Fund Resources:		549,043	88,660	-	84,350
Other Decreases in Fund Resources					
594-595	Capital Expenditures	123,739	10,264	-	-
591-593, 599	Debt Service	232,025	-	84,750	84,350
597	Transfers-Out	460,383	184,458	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		816,147	194,722	84,750	84,350
Increase (Decrease) in Cash and Investments:		(69,443)	1,140	890	53
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	36,648	1,939	34,709	-
50841	Committed	1,752	-	-	1,257
50851	Assigned	462,402	-	-	-
50891	Unassigned	582,972	582,972	-	-
Total Ending Cash and Investments		1,083,774	584,911	34,709	1,257

The accompanying notes are an integral part of this statement.

Spokane County Fire Protection District No. 13
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		267 LTD SCIP Debt Service	361 Capital Project - Apparatus	362 Capital Project -General	363 Construction & Equipment
Beginning Cash and Investments					
308	Beginning Cash and Investments	468	366,395	8,640	158,921
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	27	1,529	96	3,114
Total Revenues:		27	1,529	96	3,114
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		27	1,529	96	3,114
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	62,925	19,730	-	293,378
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		62,925	19,730	-	293,378
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	52,101	-	61,374
591-593, 599	Debt Service	62,925	-	-	-
597	Transfers-Out	-	213,000	-	62,925
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		62,925	265,101	-	124,299
Increase (Decrease) in Cash and Investments:		27	(243,842)	96	172,193
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	495	-	-	-
50851	Assigned	-	122,553	8,736	331,113
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		495	122,553	8,736	331,113

The accompanying notes are an integral part of this statement.

Spokane County Fire Protection District No. 13
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		365 LTD SCIP County Loan For New
Beginning Cash and Investments		
308	Beginning Cash and Investments	-
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	-
Total Revenues:		-
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		-
Excess (Deficiency) Revenues over Expenditures:		-
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	-
Total Other Increases in Fund Resources:		-
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		-
Increase (Decrease) in Cash and Investments:		-
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	-
Total Ending Cash and Investments		-

The accompanying notes are an integral part of this statement.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Spokane County Fire District 13 was incorporated on February 4, 1958 and operates under the laws of the state of Washington applicable to a district. The district is a special purpose local government and provides fire protection and emergency medical services.

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

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

Debt Service Funds

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

Capital Projects Funds

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

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

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 3 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 1 year, unless purchased or obtained through a Federal Grant. Capital assets purchased or obtained through a Federal Grant are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year, in accordance with Federal Grant guidelines. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 192 hours for Fire Chief, 120 hours for Administrative Assistant and FT-FF Captain, and is payable at 100% of hourly wage upon separation or retirement. Sick leave may be accumulated up to a maximum of 192 hours for Fire Chief and Administrative Assistant, and a maximum of 320 hours for FT-FF Captain. Upon separation or retirement employees do receive payment for unused sick leave at 25% of their hourly wage. Payments are recognized as expenditures when paid.

Employee Name	Position	Status	Accrual Type	Ending Balance	Hourly Rate	Factor	Cost	Social Security	Medicare	PERS	LEOFF	PFML	Total Cost
Harbin, Robin L	Admin. Assistant		Sick Pay	192	28.21	0.25	1354.08	83.95296	19.63416	129.044		7.163083	1593.874027
Harbin, Robin L	Admin. Assistant		Vacation Admin.	72	28.21	1	2031.12	125.92944	29.45124	193.566		10.74462	2390.811041
Bement, Daron J	Chief		Sick Pay	53	52.08	0.25	690.06	42.78372	10.00587		36.7112	3.650417	783.2111994
Bement, Daron J	Chief		Vacation Admin.	30	52.08	1	1562.4	96.8688	22.6548		83.1197	8.265096	1773.308376
Bement, Daron J	Chief		Wildland Hrs	24	78.12	1	1874.88	116.24256	27.18576		99.7436	9.918115	2127.970051
Ambach, Joshua	FT-FF Captain		Comp Time	40.5	35.1	1	1421.55	88.1361	20.612475		75.6265	7.52	1613.445035
Ambach, Joshua	FT-FF Captain		Sick Pay	96	35.1	0.25	842.4	52.2288	12.2148		44.8157	4.456296	956.115576
Ambach, Joshua	FT-FF Captain		Vacation Admin.	80	35.1	1	2808	174.096	40.716		149.386	14.85432	3187.05192
Ambach, Joshua	FT-FF Captain		Wildland Hrs	16.5	52.65	1	868.725	53.86095	12.5965125		46.2162	4.595555	985.9941878
							0	0	0	0	0	0	7254.050237

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 public vote or board resolution. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
Fund 032 - General Fund	2,057	0	2,057	End Balance F036 UTGO Voted Bond Fund
Fund 265 - UTGO Bond Debt Service	35,445	0	35,445	UTGO Voted Bond Debt Service
Fund 266 - LTGO Bond Debt Service	0	1,360	1,360	LTGO Bond Debt Service Committed by Resolution 2014-6
Fund 267 - LTD SCIP Debt Service	0	528	528	LTD SCIP Loan Debt Service Committed by Resolution 2021-7
Totals	37,502	1,888	39,390	

Restricted portions of Ending Cash and Investments consist of \$2,057 in Fund 032 - General Fund, and \$35,445 in Fund 265 - UTGO Voted Bond Debt Service. Committed portions of Ending Cash and Investments consist of \$1,360 in Fund 266 - LTGO Bond Debt Service, and \$528 in Fund 267 - LTD SCIP Loan Debt Service.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

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:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
032 - Operating Fund	\$ 990,828.00	\$ 961,384.06	\$ 29,443.94	Spent less than amount budgeted
265 - UTGO Bond 2-Debt Service	\$ 83,100.00	\$ 83,100.00		
266 - LTGO Bond-Debt Service	\$ 82,700.00	\$ 82,700.00		
267 - LTD SCIP Debt Service	\$ 62,925.22	\$ 62,925.23	\$ (0.01)	Interest Payment budgeted was \$0.01 less than actual interest
361 - Capital Project -Apparatus	\$ 19,730.36	\$ 4,395.00	\$ 15,335.36	Total apparatus purchases less than budgeted
363 - Construction & Equipment Reserve	\$ 62,925.22	\$ 181,450.26	\$ (118,525.04)	Unplanned expenses due to hail damage and Station 1 water damage

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

Title for Disclosure	Details for Disclosure
Interfund Transfers	8/18/2023 from Operating Fund 032, \$25,000 was transferred to Operating Reserves Fund 033; \$50,000 was transferred to Apparatus Capital Fund 361; \$50,000 was transferred to Construction Capital Fund 363 per Resolution 2023-10
Interfund Transfers	10/19/2023 \$4,000, received for the sale of C13-4 2001 Jeep, was transferred from Operating Fund 032 to Apparatus Fund 361 per Resolution 2023-11
Interfund Transfers	A total of \$108,385.23, received from Enduris for Insurance Claims, was transferred to Construction Capital Fund 363 as follows: 3/21/2023 \$16,084.51 St1 Water Damage & Digital Sign Damage; 7/26/2023 \$31,381.91 St1 Roofing Hail Damage; \$60,918.81 HVAC Hail Damage
Interfund Transfers	A total of \$82,700 transferred from Operating Fund 032 to LTGO Debt Service Fund 266 as follows: 5/23/2023 \$13,850; 11/20/2023 \$68,850
Interfund Transfers	A total of \$62,925.22 was transferred from Construction Capital Fund 363 to LTD SCIP Debt Service Fund 267 as follows: 1/3/2023 \$31,462.61; 6/27/2023 \$31,462.61
Employee Positions, Salaries, Hours	1/1/2023 The PT-FF Captain position became full-time at an annual salary of \$73,000
Employee Positions, Salaries, Hours	1/1/2023 The PT-FF Lieutenant position became full-time at an annual salary of \$57,408.08
Employee Positions, Salaries, Hours	3/31/2023 The FT-FF Lieutenant was hired by another department; the position is not to be filled until budget allows.
Employee Positions, Salaries, Hours	5/1/2023 The Administrative Assistant's wage was increased from \$26.21 per hour to \$28.21 per hour for earning EMT certification.
Employee Positions, Salaries, Hours	5/31/2023 Part-time Chief retired at a salary of \$79,461.10
Employee Positions, Salaries, Hours	6/5/2023 A full-time Chief was hired at an annual salary of \$100,000

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

Note 3 – Deposits and Investments

Investments are reported at face value. Deposits and investments by type at December 31, 2023 are as follows:

Type of Deposit or Investment	(City/Town/District)'s own deposits & investments	Deposits & investments held by the (City,Town/District) as custodian for other local governments, individuals, or private organizations.	Combined
SCIP - Spokane County Investment Pool	1,066,445		1,066,445
Petty Cash	1,004		1,004
<i>Totals</i>	1,067,449	0	1,067,449

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

Investments in the Spokane County Investment Pool

The district 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 County Finance Committee in accordance with RCW 36.48.070. The district reports its investment in the pool at face value, which is the same as the value of the pool per share.

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

Title for Disclosure	Details for Disclosure
Investments in Spokane County Investment Pool	All investments are insured, registered, or held by the district or its agent in the government's name.

Note 4 – Joint Ventures, Component Unit(s), and Related Parties

Related parties are as noted below:

Title for Disclosure	Details for Disclosure
IT Services	Michael Stuber, owner of Selkirk Insights, is a volunteer firefighter with our fire district who also provides IT services for the department. He receives a 1099 for the amount paid for his IT services, which was a total of \$6,000 in 2023.
Electrical Services	James Stevenson, owner of Conifer Electric, is a volunteer firefighter with the department. His company, an S-Corporation, has on occasion completed electrical work for the department. Conifer Electric completed the electrical portion of the annual generator test in 2023 for a total payment of \$324.30.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

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

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2023.

The debt service requirements for general obligation bonds, revenue bonds and voted bonds are as follows:

Year	Principal	Interest	Total Debt Service
2024	170,507	54,909	225,415
2025	181,570	50,555	232,125
2026	151,190	44,673	195,863
2027	125,000	39,600	164,600
2028	130,000	34,600	164,600
2029-2033	735,000	90,600	825,600
Totals	1,493,266	314,937	1,808,203

Title for Disclosure	Details for Disclosure
Debt Agreement, Treasurer of Spokane County	Per Promissory Note of the Treasurer of Spokane County, the January 5, 2021 LTD SCIP Loan of \$300,000 plus accrued interest with final amount maturing not later than January 5, 2026: If SCFD #13 defaults on any payment of principal or interest to the Treasurer of Spokane County, the Treasurer of Spokane County is authorized to make necessary transfer of payment of both principal & interest for all amounts owing from SCFD #13 Operating Fund 032 without any other action, authorization or approval.

Significant Debt Agreement Terms

The following financial instruments contain debt agreement terms with finance related consequences:

Note 6 – Other Disclosures

Title for Disclosure	Details for Disclosure
Interlocal Agreements	The District has Mutual Aid Agreements with all fire districts and fire departments within Spokane County Washington and Kootenai County Idaho, no payments are made between parties. The District also has a Mutual Aid Agreement with Washington State Department of Natural Resources.
Unfinished Repairs to HVAC System	The HVAC system on the back half of Station 1 suffered complete failure after the severe hail storm of August 11, 2021. Extensive repair/replacement is required and has not yet been completed. Enduris, the department's risk management pool insurance provider, is being updated regularly on progress; they are aware that additional future invoices may be submitted on the insurance claim. Payments to date to the vendor/provider, Andrews Mechanical include: 11/16/2022 \$824.26 HVAC Hail Damage Estimate; 4/20/2023 \$12,906.17 30% HVAC Repair Cost; 10/19/2023 \$9,709.87 30% HVAC Refrig Lines & 6 Indoor Units Replacement.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

Note 7 – Pension Plans

A. State Sponsored Pension Plans

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

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 ACFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2023 (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	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	3539.78	0.00051900%	2,282,732,000	11,847	
PERS 2/3	5926.63	0.00067400%	(4,098,683,000)		(27,625)
LEOFF 2	1980.71	0.00087800%	(2,398,598,000)		(21,060)
VFFRPF	510.00	0.290000%			(58,368)
		<i>Totals</i>		\$ 11,847	\$ (107,053)

LEOFF Plan 2

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

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

Note 8 - Property Tax

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

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

The district's Regular levy for the year 2023 was \$0.7861 per \$1,000 on an assessed valuation of \$687,490,999 for a total regular levy of \$540,438.05.

The district's EMS levy for the year 2023 was \$0.3253 per \$1,000 on an assessed valuation of \$687,711,899 for a total regular levy of \$223,744.36.

The district's Bond levy for the year 2023 was \$0.1226 per \$1,000 on an assessed valuation of \$681,718,619 for a total regular levy of \$83,597.00.

Levy Type	Per \$1000	Assessed Valuation	Amount
Regular	0.7861	687,490,999	540,438.05
EMS	0.3253	687,711,899	223,744.36
Bond	0.1226	681,718,619	83,597.00

Note 9 – Risk Management

Type of Risk	Self-insured (Y/N)	Not Applicable (Y/N)	Or Name of Insurer
Property & Liability	Y		Enduris
Health & Welfare	N		WFOA Trusteed Plans
Unemployment Compensation (ESD)	N		WA State Unemployment
Workers Compensation (L&I)	N		WA State Labor & Industries
Family Leave	N		WA State Paid Family Medical Leave

Spokane County FPD #13 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 contract for risk management, claims, and administrative services. The Pool was formed on 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, 2023, there were 518 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides 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

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

Cyber coverage are provided on a claims-made coverage form. Crime coverage is provided on a discovery 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 apply 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:				
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	None	\$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. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Property ⁽²⁾:				
Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$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% of indemnity, subject to a \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$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 \$40 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

- (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) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement according 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 \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled, 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.
- (5) This sub-limit 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.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detailed vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Members may elect to "buy up" the level of coverage from \$5,000 to \$2 million.
- (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.
- (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/member's 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.
- (10) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims do not have a deductible. There is a \$25,000 limit per member.

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 above 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. They must give notice 60 days before renewal 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 contributing to Enduris for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Its member participants fully fund Enduris. Members file claims with the Pool, which determines coverage and administers the claims.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2023

The Pool is governed by a Board of Directors comprising 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 County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

Spokane County Fire District 13 was incorporated in August of 1958 and operates under the laws of the state of Washington applicable to a district. The district is a special purpose local government and provides fire protection and emergency medical services.

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

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

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.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Capital Projects Funds

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 3 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 1 year. This amount is adjusted to \$5,000 for assets purchased with Federal Grant money to follow Federal Grant requirements. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 192 hours for the Fire Chief; 120 hours for the Deputy Chief; and 90 hours for the Administrative Assistant, payable upon separation or retirement. Sick leave may be accumulated up to 192 hours for the Fire Chief; 180 hours for the Deputy Chief; and 144 hours for the Administrative Assistant. Upon separation or retirement employees receive payment for unused sick leave. Payments are recognized as expenditures when paid. The cost of compensated absences as of December 31, 2022 is \$3,710.68.

Employee Name	Position	Status	Accrual Type	Ending Balance	Hourly Rate	Factor	Cost	Social Security	Medicare	PERS	PFML	Total Cost
Harbin, Robin L.	Admin. Assistant		Sick Pay	180.00	24.48	0.25	1101.60	68.30	15.97	112.91	48.36	1347.15
Harbin, Robin L.	Admin. Assistant		Vacation Admin.	60.00	24.48	1.00	1468.80	91.07	21.30	150.55	64.48	1796.20
Cooke, Stanton E.	Chief		Sick Pay	123.03	48.35	0.25	1487.13	92.20	21.56	152.43	65.29	1818.61
Cooke, Stanton E.	Chief		Vacation	32.00	48.35	1.00	1547.20	95.93	22.43	158.59	67.92	1892.07
								0.00	0.00	0.00	0.00	0.00
								0.00	0.00	0.00	0.00	0.00
								0.00	0.00	0.00	0.00	0.00
								0.00	0.00	0.00	Total	3710.68

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 resolution of the Board of Fire Commissioners. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
Fund 032 - General Fund	1,939		1,939	End Balance F036 UTGO Voted Bond Fund
Fund 265 - UTGO Bond Debt Service	34,709		34,709	UTGO Voted Bond Debt Service
Fund 266 - LTGO Bond Debt Service		1,257	1,257	LTGO Bond Debt Service Committed by Resolution 2014-6
Fund 267 - LTD SCIP Debt Service		495	495	SCIP Loan Debt Service Committed by Resolution 2021-7
Totals	36,648	1,752	38,400	

Restricted Portions of Ending Cash and Investments consist of \$1,939 in Fund 032 – General Fund and \$34,709 in Fund 265 – UTGO Bond Debt Service. Committed Portions of Ending Cash and Investments consist of \$1,257 in Fund 266 – LTGO Bond Debt Service and \$495 in Fund 267 – LTD SCIP Debt Service.

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 follows:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
032 - Operating Fund				
Operating Fund	\$ 916,900.00	\$ 852,035.24	\$ 64,864.76	Spent less than the amount budgeted
Operating Reserve Fund				
Bond Fund				
Total 032 - Operating Fund	\$ 916,900.00	\$ 852,035.24	\$ 64,864.76	Spent less than the amount budgeted
265 - UTGO Bond 2-Debt Service	\$ 84,750.00	\$ 84,750.00		
266 - LTGO Bond-Debt Service	\$ 84,350.00	\$ 84,350.00		
267 - LTD SCIP Debt Service	\$ 62,925.22	\$ 62,925.22		
361 - Capital Project -Apparatus	\$ 273,000.00	\$ 265,101.23	\$ 7,898.77	Total apparatus expenditures less than budgeted
362 - Capital Project -General				
363 - Construction & Equipment Reserve	\$ 112,925.22	\$ 124,299.42	\$ (11,374.20)	Unanticipated construction costs, Station 1
365 - LTD SCIP County Loan For New Construction		\$ 0.27	\$ (0.27)	Fund was closed and residual \$0.27 interest accrued was transferred to F66(F267) per Resolution 2022-8

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

Title for Disclosure	Details for Disclosure
Material Interfund Transfers:	2/17/2022 \$213,000 was transferred from Fund 361 Apparatus to Fund 363 Construction; the
Transfer of Excess Funds per Resolution 2022-2	2021 \$300,000 SCIP County Construction Loan payments are transferred from Fund 363 to Debt Service Fund 267 for payments every January 5th and July 5th.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Note 3 – Deposits and Investments

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

Type of Deposit or Investment	(City/Town/District)'s own deposits & investments	Deposits & investments held by the (City,Town/District) as custodian for other local governments, individuals, or private organizations.	Combined
SCIP - Spokane County Investment Pool	1,082,770		1,082,770
Petty Cash	1,004		1,004
<i>Totals</i>	1,083,774	0	1,083,774

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

Investments in the Spokane County Investment Pool

The district 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 County Finance Committee in accordance with RCW 36.48.070. The district reports its investment in the pool at face value, which is the same as the value of the pool per share.

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

Title for Disclosure	Details for Disclosure
Investments in Spokane County Investment Pool	All investments are insured, registered, or held by the district or its agent in the government's name.

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Note 4 – Joint Ventures, Component Unit(s), and Related Parties

Related Parties are as noted below:

Title for Disclosure	Details for Disclosure
IT Services	Michael Stuber, owner of Selkirk Insights, is a volunteer firefighter with the department who also provides IT services for the department. He receives a 1099 for the amount paid for his IT services, which was a total of \$6,000 in 2022.
Electrical Services	James Stevenson, owner of Conifer Electric, is a volunteer firefighter with the department. His company, an S-Corporation, has on occasion completed electrical work for the department. Conifer Electric completed four electrical projects in 2022 including a bay exhaust fan sensor; supplying electrical to the burn building, conex, and pavilion; the electrical portion of the annual generator test; and completion of the electrical work on the Annex. The total paid to Conifer Electric in 2022 was \$25,230.01.

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

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation bonds, revenue bonds and voted bonds are as follows:

Year	Principal	Interest	Total Debt Service
2023	169,462	59,269	228,730
2024	170,507	54,909	225,415
2025	181,570	50,555	232,125
2026	151,190	44,673	195,863
2027	125,000	39,600	164,600
2028-2032	705,000	118,800	823,800
2033-2037	160,000	6,400	166,400
Totals	1,662,728	374,205	2,036,933

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Note 6 – Other Disclosures

Title for Disclosure	Details for Disclosure
Interlocal Agreements	The District has Mutual Aid Agreements with all fire districts and fire departments within Spokane County Washington and Kootenai County Idaho, no payments are made between parties. The District also has a Mutual Aid Agreement with Washington State Department of Natural Resources.
Imprest Account Corrections	1/3/2022 An adjustment was made to reflect the actual full balance of the Imprest Account at \$1003.55 rather than \$1000.00. Processes were established and implemented to provide accurate accounting of the Imprest Account (Checking Account #2) within the accounting software system.
Refund and Adjustment for Unfinished Project	8/24/2022 Wulff Contracting Services refunded to the department \$12,431.50 for unfinished electrical work. The department had paid \$40,000.00 for the electrical work in December 2021. The refund of \$12,431.50 was deposited into the Operating Fund 32 and subsequently transferred to Fund 63 Construction per Resolution 2022-5. Conifer Electric agreed to complete the electrical work for the amount available of \$12,431.50.

Note 7 – Pension Plans

A. State Sponsored Pension Plans

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

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

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 ACFR available from the Office of Financial Management website at 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	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	3593.08	0.00058600%	2,784,367,000	16,316	
PERS 2/3	6115.84	0.00076100%	(3,708,781,000)		(28,224)
VFFRPF	330	0.170000%			(49,054)
		<i>Totals</i>		\$ 16,316	\$ (77,278)

Note 8 - Property Tax

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

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

The district's regular levy for the year 2022 was \$1.0263 per \$1,000 on an assessed valuation of \$513,159,140 for a total regular levy of \$526,661.89.

The district's EMS levy for the year 2022 was \$0.4248 per \$1,000 on an assessed valuation of \$513,317,950 for a total EMS levy of \$218,081.25.

The district's Bond levy for the year 2022 was \$0.1660 per \$1,000 on an assessed valuation of \$508,123,792 for a total Bond levy of \$84,350.00.

Levy Type	Per \$1000	Assessed Valuation	Amount
Regular	1.0263	513,159,140	526,661.89
EMS	0.4248	513,317,950	218,081.25
Bond	0.1660	508,123,792	84,350.00

Spokane County Fire District 13
Notes to the Financial Statements
For the year ended December 31, 2022

Note 9 – Risk Management

Type of Risk	Self-insured (Y/N)	Not Applicable (Y/N)	Or Name of Insurer
Property & Liability	Y		Enduris
Health & Welfare	N		WFCA Trusteed Plans
Unemployment Compensation (ESD)	N		WA State Unemployment
Workers Compensation (L&I)	N		WA State Labor & Industries
Family Leave	N		WA State Paid Family Medical Leave

Spokane County FPD #13 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 claims made coverage form. Crime coverage is provided on a discovery 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

Spokane County Fire District 13
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 ⁽¹⁾
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. By meeting established guidelines, the co-pay may be waived.

Property ⁽²⁾:

Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$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% of indemnity, subject to \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$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 \$40 million	20% Copay

Spokane County Fire District 13
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 ⁽¹⁾
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

- (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) 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 \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (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.
- (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.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (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 \$2 million.
- (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.
- (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.
- (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.

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 County Fire Protection District No. 13
Schedule of Liabilities
For the Year Ended December 31, 2023

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LTGO Bond (non-voted)	12/1/2033	720,000	-	55,000	665,000
251.12	UTGO Bond (voted)	12/1/2033	730,000	-	55,000	675,000
263.85	SCIP LDI Fire Dist 13 Note	1/5/2026	212,728	-	59,462	153,266
Total General Obligation Debt/Liabilities:			1,662,728	-	169,462	1,493,266
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences	12/31/2023	3,711	3,543	-	7,254
264.30	Pension Liability	12/31/2023	16,316	-	4,469	11,847
Total Revenue and Other (non G.O.) Debt/Liabilities:			20,027	3,543	4,469	19,101
Total Liabilities:			1,682,755	3,543	173,931	1,512,367

Spokane County Fire Protection District No. 13
Schedule of Liabilities
For the Year Ended December 31, 2022

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LTGO Bond (non-voted)	12/1/2033	775,000	-	55,000	720,000
251.12	UTGO Bond (voted)	12/1/2033	785,000	-	55,000	730,000
263.85	SCIP LDI Fire Dist 13 Note	1/5/2026	271,162	-	58,434	212,728
Total General Obligation Debt/Liabilities:			1,831,162	-	168,434	1,662,728
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences	1/1/2022	12,722	-	9,011	3,711
264.30	Pension Liability	1/1/2022	6,253	10,063	-	16,316
Total Revenue and Other (non G.O.) Debt/Liabilities:			18,975	10,063	9,011	20,027
Total Liabilities:			1,850,137	10,063	177,445	1,682,755

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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.

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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.

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