



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Whatcom County Fire Protection District No. 7

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

Published October 3, 2024

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

October 3, 2024

Board of Commissioners
Whatcom County Fire Protection District No. 7
Ferndale, Washington

Report on Financial Statements

Please find attached our report on Whatcom County Fire Protection District No. 7'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*

Whatcom County Fire Protection District No. 7 January 1, 2022 through December 31, 2023

Board of Commissioners
Whatcom County Fire Protection District No. 7
Ferndale, 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 Whatcom County Fire Protection District No. 7, 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 September 26, 2024.

We issued unmodified opinions on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued adverse opinions 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

September 26, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Whatcom County Fire Protection District No. 7 January 1, 2022 through December 31, 2023

Board of Commissioners
Whatcom County Fire Protection District No. 7
Ferndale, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Whatcom County Fire Protection District No. 7, 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 Opinions 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 Whatcom County Fire Protection District No. 7, 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 Opinions 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 Whatcom County Fire Protection District No. 7, 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 Opinions 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 September 26, 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 fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2024

FINANCIAL SECTION

Whatcom County Fire Protection District No. 7 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 Financial Statements – 2023

Notes to Financial Statements –2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023

Schedule of Liabilities –2022

Whatcom County Fire Protection District No. 7
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

| | | Total for All Funds (Memo Only) | 001 707 - General Fund | 210 70710 - GO Bond Fund | 300 70730 - Capital Fund |
|---|--------------------------------|--|-----------------------------------|-------------------------------------|-------------------------------------|
| Beginning Cash and Investments | | | | | |
| 308 | Beginning Cash and Investments | 7,036,041 | 6,999,063 | 33,006 | 3,972 |
| 388 / 588 | Net Adjustments | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 7,280,565 | 7,021,052 | 259,513 | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 444,139 | 444,128 | 11 | - |
| 340 | Charges for Goods and Services | 4,907,864 | 4,907,864 | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 341,699 | 339,068 | 2,507 | 124 |
| Total Revenues: | | 12,974,267 | 12,712,112 | 262,031 | 124 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | 9,998,601 | 9,998,601 | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural/Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 9,998,601 | 9,998,601 | - | - |
| Excess (Deficiency) Revenues over Expenditures: | | 2,975,666 | 2,713,511 | 262,031 | 124 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 487,581 | - | 124 | 487,457 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 381, 382, 389, 395, 398 | Other Resources | 8,764 | 8,764 | - | - |
| Total Other Increases in Fund Resources: | | 496,345 | 8,764 | 124 | 487,457 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 431,008 | - | - | 431,008 |
| 591-593, 599 | Debt Service | 509,092 | 181,173 | 267,498 | 60,421 |
| 597 | Transfers-Out | 487,581 | 487,457 | - | 124 |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 581, 582, 589 | Other Uses | 808,513 | 808,513 | - | - |
| Total Other Decreases in Fund Resources: | | 2,236,194 | 1,477,143 | 267,498 | 491,553 |
| Increase (Decrease) in Cash and Investments: | | 1,235,817 | 1,245,132 | (5,343) | (3,972) |
| Ending Cash and Investments | | | | | |
| 50821 | Nonspendable | - | - | - | - |
| 50831 | Restricted | - | - | - | - |
| 50841 | Committed | 27,663 | - | 27,663 | - |
| 50851 | Assigned | - | - | - | - |
| 50891 | Unassigned | 8,244,194 | 8,244,194 | - | - |
| Total Ending Cash and Investments | | 8,271,857 | 8,244,194 | 27,663 | - |

The accompanying notes are an integral part of this statement.

Whatcom County Fire Protection District No. 7
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

| | | Total for All Funds (Memo Only) | 001 707 - General Fund | 210 70710 - GO Bond Fund | 300 70730 - Capital Fund |
|---|--------------------------------|--|-----------------------------------|-------------------------------------|-------------------------------------|
| Beginning Cash and Investments | | | | | |
| 308 | Beginning Cash and Investments | 7,464,495 | 6,727,786 | 33,496 | 703,213 |
| 388 / 588 | Net Adjustments | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 6,613,642 | 6,349,535 | 264,107 | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 924,689 | 924,684 | 5 | - |
| 340 | Charges for Goods and Services | 3,902,860 | 3,902,860 | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 254,607 | 250,396 | 1,121 | 3,090 |
| Total Revenues: | | 11,695,798 | 11,427,475 | 265,233 | 3,090 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | 9,524,504 | 9,524,504 | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural/Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 9,524,504 | 9,524,504 | - | - |
| Excess (Deficiency) Revenues over Expenditures: | | 2,171,294 | 1,902,971 | 265,233 | 3,090 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 496,970 | - | - | 496,970 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 381, 382, 389, 395, 398 | Other Resources | 35,146 | 35,146 | - | - |
| Total Other Increases in Fund Resources: | | 532,116 | 35,146 | - | 496,970 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 1,142,054 | - | - | 1,142,054 |
| 591-593, 599 | Debt Service | 503,021 | 180,048 | 265,723 | 57,250 |
| 597 | Transfers-Out | 496,970 | 496,970 | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 581, 582, 589 | Other Uses | 989,831 | 989,831 | - | - |
| Total Other Decreases in Fund Resources: | | 3,131,876 | 1,666,849 | 265,723 | 1,199,304 |
| Increase (Decrease) in Cash and Investments: | | (428,466) | 271,268 | (490) | (699,244) |
| Ending Cash and Investments | | | | | |
| 50821 | Nonspendable | - | - | - | - |
| 50831 | Restricted | - | - | - | - |
| 50841 | Committed | 33,006 | - | 33,006 | - |
| 50851 | Assigned | 3,972 | - | - | 3,972 |
| 50891 | Unassigned | 6,999,063 | 6,999,063 | - | - |
| Total Ending Cash and Investments | | 7,036,041 | 6,999,063 | 33,006 | 3,972 |

The accompanying notes are an integral part of this statement.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Whatcom County Fire Protection District 7 was incorporated on September 26, 1956 and operates under the laws of the state of Washington applicable to a fire district. The district is a special purpose local government and provides fire protection and emergency medical services to the public.

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.

GO Bond Fund

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

Debt Service Fund

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.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

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 \$5,000.00 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

The labor group shall accumulate up to 1.5 times of vacation which is payable upon separation and their sick leave may be accumulated to 1440 hours. Administrative vacation leave may accumulate up to 2.0 times, also payable upon separation. Whereas sick leave may be accumulated up to 1,680 hours. Upon separation or retirement employees may be eligible to receive payment for a portion of unused sick leave if applicable. Payments are recognized as expenditures when paid.

| | |
|----------------------|-----------------|
| Vacation Liability | \$ 1,091,870.48 |
| Sick Leave Liability | \$ 400,927.31 |
| Total: | \$ 1,492,797.79 |

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 the District. When expenditures that meet restrictions are incurred, Whatcom County Fire Protection District 7 intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$27,663.48.

Note 2 - Budget Compliance

Whatcom County Fire Protection District 7 adopts annual appropriated budgets for General, Debt Service, GO Bonds and Capital funds. These budgets are appropriated at the fund level (except the

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

general (current expense) fund, where budget is adopted at the department 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 |
|-------------------|----------------------------|-----------------|-------------|
| General Fund | 11,203,541 | 9,998,601 | 1,204,940 |
| GO Bond Fund | 267,500 | 267,498 | 2 |
| Debt Service Fund | 192,485 | 181,173 | 11,312 |
| Capital Fund | 539,800 | 491,553 | 48,247 |
| | | | |
| | \$12,203,326 | \$10,938,825 | \$1,264,501 |

Budgeted amounts are authorized to be transferred between departments within any fund or 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 District's legislative body.

Note 3 – Deposits and Investments

Investments are reported at amortized cost. Deposits and investments by type on December 31, 2023 are as follows:

| Type of deposit or investment | Deposits & Investments held by the County | Total |
|-------------------------------|---|---------------------|
| General Cash & Investments | \$ 8,244,194 | \$ 8,244,194 |
| GO Bond Cash & Investments | \$ 27,664 | \$ 27,664 |
| Capital Cash & Investments | \$ 00 | \$ 00 |
| Total | \$ 8,271,858 | \$ 8,271,858 |

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 County Investment Pool

The District is a voluntary participant in the Whatcom County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

is provided by the County Finance Committee in accordance with RCW 36.48.070. The District reports its investment in the pool at amortized cost, which is (the same as the value of the pool per share. The WCIP does not impose liquidity fees and explains its deposit and withdrawal procedures in its Operating Terms and Conditions document available on the Whatcom County Treasurer website.

Custodial Credit Risk

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

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

These planned actions are expected to enable the government to continue operating and meeting its obligations as they come due.

Note 4 – Leases (Lessees)

The district entered into a Stryker BLS 360 Lease Agreement in 2021 as follows:

| Year | Annual Payment | Total Lease |
|---------------|----------------|-------------|
| 2024 | 60,421 | 60,421 |
| 2025 | 60,421 | 60,421 |
| 2026 | 60,421 | 60,421 |
| 2027 | 60,421 | 60,421 |
| 2028 | 60,421 | 60,421 |
| 2029-2030 | 120,841 | 120,841 |
| <i>Totals</i> | 422,944 | 422,944 |

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 the year ending December 31, 2023.

The debt service requirements for General Obligation Bonds, WA Local Agency Financing Lease Series 2018C and PNC Equipment Finance as follows:

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

| Year | Principal | Interest | Total Debt Service |
|---------------|-----------|----------|--------------------|
| 2024 | 359,198 | 92,347 | 451,546 |
| 2025 | 371,346 | 82,875 | 454,221 |
| 2026 | 383,560 | 71,985 | 455,546 |
| 2027 | 362,632 | 60,677 | 423,309 |
| 2028 | 340,000 | 50,623 | 390,623 |
| 2029-2033 | 1,360,000 | 140,743 | 1,500,743 |
| 2034 | 305,000 | 7,015 | 312,015 |
| <i>Totals</i> | 3,481,737 | 506,264 | 3,988,001 |

Note 6 – 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 LEOFF II and 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 comprehensive annual 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.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

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 | 8986.77 | 0.001319% | 2,282,732,000 | 30,109 | |
| PERS 2/3 | 14931.33 | 0.001698% | (4,098,683,000) | | (69,596) |
| LEOFF 2 | 306116.50 | 0.135620% | (2,398,598,000) | | (3,252,979) |
| VFFRPF | 1560.00 | 0.90% | | | (178,538) |
| | | <i>Totals</i> | | \$ 30,109 | \$ (3,501,112) |

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.

A. Defined Contribution Pension Plans

Whatcom County Fire Protection District 7 participates in a defined contribution plan, referred to as DCP (Deferred Compensation Plan) through the Washington State Department of Retirement Systems. The District contributes 4% of employees' wages into the DCP plan on their behalf regardless of individual participation. The district contributed an annual total of \$235,951.00 into the defined contribution plan in 2023.

Note 7 - Property Tax

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

Property tax revenues are recognized when cash is received by the 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 \$0.9135431639 per \$1,000 on an assessed valuation of \$7,182,180,886 for a total regular levy of \$6,561,232.25.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

In addition, the District's GO bond levy in 2023 was \$0.0376173662 per \$1,000 at an assessed valuation of \$7,124,369,070 for a GO levy of \$268,000.00.

Note 8 – Risk Management

Whatcom County Fire District No. 7 is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of November 30, 2023, membership includes 196 members in the program.**

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires reinsurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to a **group aggregate limit of \$50,000,000** with a **self-insured retention (SIR) of \$750,000**. Members are responsible for a \$1,000 to \$50,000 deductible for each claim (can vary by member), while the program is responsible for the **\$750,000 SIR**. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the **\$750,000 SIR**, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$8,347,047**, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence **SIR of \$750,000**. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the **\$750,000 SIR**, in addition to the deductible.

Crime insurance is subject to a per occurrence **SIR of \$25,000**. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the **\$25,000 SIR**, in addition to the deductible.

Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500 (cities and special districts) and \$500 (fire districts), which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2023

Cyber liability insurance is subject to a per-occurrence **SIR of \$50,000**. Members are responsible for a \$10,000 deductible for each claim, while the program is responsible for the remaining **\$40,000 SIR**.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **December 1, 2023, were \$3,172,936.78.**

A board of ten members is selected by the membership from three geographic areas of the state on a staggered-term basis and the Board is responsible for conducting the business affairs of the program.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

Whatcom County Fire Protection District 7 was incorporated on September 26, 1956 and operates under the laws of the state of Washington applicable to a fire district. The district is a special purpose local government and provides fire protection and emergency medical services to the public.

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
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

GO Bond Fund

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

Debt Service Fund

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.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

Capital Project 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 \$5,000.00 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 1.5 times and is payable upon separation or retirement. Sick leave may be accumulated up to 1680 hours. Upon separation or retirement employees may receive payment for a portion of unused sick leave, vacation, and comp time if applicable. Payments are recognized as expenditures when paid.

| | |
|----------------------|-----------------|
| Vacation Liability | \$ 940,462.60 |
| Sick Leave Liability | \$ 275,624.46 |
| Comp Time Liability | \$ 43,063.40 |
| Total: | \$ 1,259,150.46 |

F. Long-Term Debt

See Note 5 - *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the District. When expenditures that meet restrictions are incurred, Whatcom County Fire Protection District 7 intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$33,006.06.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

Note 2 - Budget Compliance

Whatcom County Fire Protection District 7 adopts annual appropriated budgets for General, Debt Service, GO Bonds and Capital funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where budget is adopted at the department 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 |
|-------------------|----------------------------|-----------------|--------------|
| General Fund | 10,582,704 | 9,524,504 | 1,058,200 |
| GO Bond Fund | 265,423 | 265,723 | (300) |
| Debt Service Fund | 180,048 | 180,048 | 0 |
| Capital Fund | 1,220,300 | 1,199,304 | 20,996 |
| | | | |
| | \$ 12,248,475 | \$ 11,169,579 | \$ 1,078,896 |

Budgeted amounts are authorized to be transferred between departments within any fund or 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 District's legislative body.

Note 3 – Deposits and Investments

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2022 are as follows:

| Type of deposit or investment | Deposits & Investments held by the County | Total |
|-------------------------------|---|---------------------|
| General Cash & Investments | \$ 6,999,063 | \$ 6,999,063 |
| GO Bond Cash & Investments | \$ 33,006 | \$ 33,006 |
| Capital Cash & Investments | \$ 3,972 | \$ 3,972 |
| Total | \$ 7,036,041 | \$ 7,036,041 |

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

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

Investments in County Investment Pool

The District is a voluntary participant in the Whatcom 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 amortized cost, which is (the same as the value of the pool per share. The WCIP does not impose liquidity fees and explains its deposit and withdrawal procedures in its Operating Terms and Conditions document available on the Whatcom County Treasurer website.

Custodial Credit Risk

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

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

Note 4 – Leases

The District entered into a Stryker BLS 360 Lease Agreement in 2021 as follows:

| Year | Annual Payment | Total Lease |
|---------------|----------------|-------------|
| 2023 | 60,421 | 60,421 |
| 2024 | 60,421 | 60,421 |
| 2025 | 60,421 | 60,421 |
| 2026 | 60,421 | 60,421 |
| 2027 | 60,421 | 60,421 |
| 2028-2030 | 181,262 | 181,262 |
| <i>Totals</i> | 483,365 | 483,365 |

Note 5 – Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of Whatcom County Fire Protection District 7 and summarizes the district's debt transactions for year ended December 31, 2022.

The debt service requirements for General Obligation Bonds, WA Local Agency Financing Lease Series 2018C and PNC Equipment Finance as follows:

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

| Year | Principal | Interest | Total Debt Service |
|---------------|-----------|----------|--------------------|
| 2023 | 347,115 | 101,555 | 448,671 |
| 2024 | 359,198 | 92,347 | 451,546 |
| 2025 | 371,346 | 82,875 | 454,221 |
| 2026 | 383,560 | 71,985 | 455,546 |
| 2027 | 362,632 | 60,677 | 423,309 |
| 2028-2032 | 1,405,000 | 177,713 | 1,582,713 |
| 2033-2034 | 600,000 | 20,668 | 620,668 |
| <i>Totals</i> | 3,828,852 | 607,819 | 4,436,672 |

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all District full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans LEOFF II and 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 comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

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

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

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

| Plan Type | Employer Contributions | Allocation Percentage | Plan Liability / Asset | NPL | NPA |
|---------------|------------------------|-----------------------|------------------------|-----------|----------------|
| PERS 1 UAAL | 8110.82 | 0.001323% | 2,784,367,000 | 36,837 | |
| PERS 2/3 | 13904.46 | 0.001731% | (3,708,781,000) | | (64,199) |
| LEOFF 2 | 291904.97 | 0.140996% | (2,717,698,000) | | (3,831,845) |
| VFFRPF | 1260 | 0.66% | | | (187,297) |
| <i>Totals</i> | | | | \$ 36,837 | \$ (4,083,341) |

LEOFF Plan 1

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

LEOFF Plan 2

The 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.

Defined Contribution Pension Plans

Whatcom County Fire Protection District 7 participates in a defined contribution plan, referred to as DCP (Deferred Compensation Plan) through the Washington State Department of Retirement Systems. The District contributes 4% of employees' wages into the DCP plan on their behalf regardless of individual participation. The district contributed an annual total of \$211,884.00 into the defined contribution plan in 2022.

Note 7 - Property Tax

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

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

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

The District's regular levy for the year 2022 was \$1.0637286353 per \$1,000 on an assessed valuation of \$5,978,101,735 for a total regular levy of \$6,359,078.00.

In addition, the District's GO bond levy in 2022 was \$0.0448019849 per \$1,000 at an assessed valuation of \$5,926,076,726 for a GO levy of \$265,500.00.

Note 8 – Risk Management

Whatcom County Fire District No. 7 is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of November 30, 2022, membership includes 195 members in the program.**

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires reinsurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to an **aggregate limit of \$50,000,000** with a **self-insured retention (SIR) of \$500,000**. Members are responsible for a \$1,000 to \$50,000 deductible for each claim (can vary by member), while the program is responsible for the **\$500,000 SIR**. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the **\$500,000 SIR**, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$7,110,058**, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence **SIR of \$500,000**. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the **\$500,000 SIR**, in addition to the deductible.

Crime insurance is subject to a per occurrence **SIR of \$25,000**. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the **\$25,000 SIR**, in addition to the deductible.

Whatcom County Fire Protection District 7
Notes to the Financial Statements
For the year ended December 31, 2022

Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500 (cities and special districts) and \$500 (fire districts), which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW.

Cyber liability insurance is subject to a per-occurrence **SIR of \$50,000**. Members are responsible for a \$10,000 deductible for each claim, while the program is responsible for the remaining **\$40,000 SIR**.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **December 1, 2022, were \$2,747,183.56.**

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

Whatcom County Fire Protection District No. 7
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 | | | | | | |
| 251.12 | General Obligation Bonds | 12/1/2034 | 2,975,000 | - | 200,000 | 2,775,000 |
| 263.51 | PNC Equipment Finance | 6/1/2027 | 318,852 | - | 67,115 | 251,737 |
| 263.83 | Local Agency Financing Lease Series 2018C | 6/1/2028 | 535,000 | - | 80,000 | 455,000 |
| | Total General Obligation Debt/Liabilities: | | 3,828,852 | - | 347,115 | 3,481,737 |
| Revenue and Other (non G.O.) Debt/Liabilities | | | | | | |
| 263.57 | Stryker BLS 360 Lease | 6/30/2030 | 483,365 | - | 60,421 | 422,944 |
| 259.12 | Vac/Sick/Comp Liabilities | | 1,259,150 | 233,648 | - | 1,492,798 |
| 264.30 | Pension Liabilities | | 36,837 | - | 6,728 | 30,109 |
| | Total Revenue and Other (non G.O.) Debt/Liabilities: | | 1,779,352 | 233,648 | 67,149 | 1,945,851 |
| | Total Liabilities: | | 5,608,204 | 233,648 | 414,264 | 5,427,588 |

Whatcom County Fire Protection District No. 7
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 | | | | | | |
| 263.51 | PNC Equipment Finance | 6/1/2027 | 383,947 | - | 65,095 | 318,852 |
| 263.83 | Local Agency Financing Lease Series 2018C | 6/1/2028 | 610,000 | - | 75,000 | 535,000 |
| 251.12 | General Obligation Bonds | 12/1/2034 | 3,170,000 | - | 195,000 | 2,975,000 |
| | Total General Obligation Debt/Liabilities: | | 4,163,947 | - | 335,095 | 3,828,852 |
| Revenue and Other (non G.O.) Debt/Liabilities | | | | | | |
| 263.57 | Stryker BLS 360 Lease | 6/30/2030 | 540,615 | - | 57,250 | 483,365 |
| 264.30 | Pension Liabilities | | 16,291 | 20,546 | - | 36,837 |
| 259.12 | Vac/Sick/Comp Liabilities | | 1,233,847 | 25,303 | - | 1,259,150 |
| | Total Revenue and Other (non G.O.) Debt/Liabilities: | | 1,790,753 | 45,849 | 57,250 | 1,779,352 |
| | Total Liabilities: | | 5,954,700 | 45,849 | 392,345 | 5,608,204 |

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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