



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report

## East County Fire and Rescue

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

*Published October 7, 2024*

Report No. 1035750



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

October 7, 2024

Board of Commissioners  
East County Fire and Rescue  
Camas, Washington

**Report on Financial Statements**

Please find attached our report on East County 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

***Americans with Disabilities***

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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*

#### **East County Fire and Rescue January 1, 2022 through December 31, 2023**

Board of Commissioners  
East County Fire and Rescue  
Camas, 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 East County 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 October 1, 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 fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

October 1, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **East County Fire and Rescue January 1, 2022 through December 31, 2023**

Board of Commissioners  
East County Fire and Rescue  
Camas, Washington

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

### **Unmodified and Adverse Opinions**

We have audited the financial statements of East County 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 East County 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 East County 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 October 1, 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

October 1, 2024

## **FINANCIAL SECTION**

### **East County 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

**East County Fire and Rescue**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>101 EMS Fund</b>	<b>201 General Obligation Bond Fund</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	3,175,509	3,175,509	-	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	3,664,149	2,963,087	701,062	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	13,655	13,655	-	-
340	Charges for Goods and Services	39,232	39,232	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	116,875	116,875	-	-
Total Revenues:		3,833,911	3,132,849	701,062	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	3,196,037	2,494,975	701,062	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,196,037	2,494,975	701,062	-
Excess (Deficiency) Revenues over Expenditures:		637,874	637,874	-	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	524,300	-	-	524,300
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	23,188	23,188	-	-
Total Other Increases in Fund Resources:		547,488	23,188	-	524,300
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	32,606	32,606	-	-
591-593, 599	Debt Service	524,300	-	-	524,300
597	Transfers-Out	524,300	524,300	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,081,206	556,906	-	524,300
<b>Increase (Decrease) in Cash and Investments:</b>		<b>104,156</b>	<b>104,156</b>	<b>-</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	12,379	12,379	-	-
50841	Committed	789,864	789,864	-	-
50851	Assigned	155,431	155,431	-	-
50891	Unassigned	2,321,995	2,321,995	-	-
<b>Total Ending Cash and Investments</b>		<b>3,279,669</b>	<b>3,279,669</b>	<b>-</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

**East County Fire and Rescue**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>101 EMS Fund</b>	<b>201 General Obligation Bond Fund</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	2,918,760	2,918,755	-	5
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	3,580,934	2,894,258	686,676	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1,629	1,629	-	-
340	Charges for Goods and Services	32,852	32,852	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	63,334	63,334	-	-
Total Revenues:		3,678,749	2,992,073	686,676	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	3,214,748	2,528,072	686,676	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,214,748	2,528,072	686,676	-
Excess (Deficiency) Revenues over Expenditures:		464,001	464,001	-	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	200,420	-	-	200,420
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	7,936	7,936	-	-
Total Other Increases in Fund Resources:		208,356	7,936	-	200,420
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	14,764	14,764	-	-
591-593, 599	Debt Service	200,425	-	-	200,425
597	Transfers-Out	200,420	200,420	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		415,609	215,184	-	200,425
<b>Increase (Decrease) in Cash and Investments:</b>		<b>256,748</b>	<b>256,753</b>	<b>-</b>	<b>(5)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	1,121,912	1,121,912	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	2,053,597	2,053,597	-	-
<b>Total Ending Cash and Investments</b>		<b>3,175,509</b>	<b>3,175,509</b>	<b>-</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**Note 1 - Summary of Significant Accounting Policies**

East County Fire and Rescue was incorporated on May 26, 2006, as the result of a successful merger between Clark County Fire District #1 and Clark County Fire District #9, and operates under the laws of the state of Washington applicable to a Fire Department. East County Fire and Rescue is a special purpose local government and provides fire protection and emergency response 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 001**

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.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Special Revenue Funds 101

This is the primary Fund used for accounting of Emergency Medical Services (EMS) Levy funds that are “passed through” East County Fire and Rescue to the City of Camas via their EMS fund 6620. The collection and transfer of these funds is done in accordance with a service agreement for the Emergency Medical Transport Services Program. Participants in this agreement include East County Fire and Rescue, City of Camas, and the City of Washougal.

Debt Service Funds 201

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.

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 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 one and one half times the annual accrual for LEOFF personnel, up to two times the annual accrual for all other full time personnel, and is payable upon separation or retirement. Sick leave may be accumulated up to 1352 hours for IAFF personnel, 1200 hours for OPEIU personnel, 1040 for the Fire Chief. Part-time personnel accrue WSPL at the rate of one hour for every 40 hours worked but only carry over 40 hours to the next year. Upon separation or retirement, employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

The total Compensated Absence value as of December 31, 2023 was \$93,101.92.

F. Long-Term Debt

See Note 4 – *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. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
6291-1		404,949	404,949	Apparatus Replacement
6291-2		275,743	275,743	Capital Facility Repair/Maintenance
6291-3		43,015	43,015	Leave Accrual Payout
6291-4		66,157	66,157	Major Equipment Purchases
6291-6	12,379		12,379	Grant Management
<i>Totals</i>	<b>12,379</b>	<b>789,864</b>	<b>802,242</b>	

**Note 2 - Budget Compliance**

East County Fire and Rescue adopts annual appropriated budgets for the General Fund (6291), the Debt Service Fund (6248), and the EMS Levy Fund. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
General Fund	3,392,558	3,039,629	352,929
Grants Management Fund	254,337	12,251	242,086
<b>Total 001 - General Fund</b>	<b>3,646,895</b>	<b>3,051,879</b>	<b>595,016</b>
101 - EMS Fund	706,042	701,062	4,980
201 - General Obligation Bond Fund	524,300	524,300	0

Budgeted amounts are authorized to be transferred between 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 East County Fire and Rescue's legislative body.

The 2023 General Fund final appropriated amount excludes \$414,979 of interfund transfers.



**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Resolution #320-06062023 was approved to transfer the balance of funds in the Copier (Plans Trailer) Reserve Fund (6291-5) to the General Fund (6291) and for the dissolution of the Copier (Plans Trailer) Fund.

**Note 3 – Deposits and Investments**

East County Fire and Rescue cash and investments are held by the Clark County Treasurer, in the Clark County Investment Pool, as its agent in the District's name.

Deposits and investments by type at December 31, 2023 are as follows:

Type of Deposit or Investment	ECFR Funds at Clark Co. Treasurer	Deposits & investments held by the District as custodian for other local governments, individuals, or private organizations.	Combined
6291 General Fund - LGIP	2,477,426		2,477,426
6291-1 Apparatus Replacement - LGIP	404,949		404,949
6291-2 Capital Facility - LGIP	275,743		275,743
6291-3 Leave Accrual - LGIP	43,015		43,015
6291-4 Equipment Reserve - LGIP	66,157		66,157
6291-6 Grants Management - LGIP	12,379		12,379
<i>Totals</i>	3,279,668	0	3,279,668

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation or the Washington Public Deposit Protection Commission, where appropriate. All of the investments, within the Clark County investment pool, including the portion that is held at the State LGIP, is either insured, guaranteed (implied or expressly), or collateralized. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW.

Investments in the Clark County Investment Pool

The district is a voluntary participant in the County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The county reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

The District's interest in the investment pool on December 31, 2023 was \$3,279,668.43, which is stated at fair market value. Investments in the County's pool are not subject to categorization, as specific instruments cannot be distinguished between those participating in the pool.

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

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Custodial Credit Risk

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

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

**Note 4 – Other Disclosures**

The district paid off the 2012 LTGO Bond per Resolution #330-10172023.

Per RCW 43.09.240, the Clark County Treasurer granted an ongoing exception to daily deposits on December 5, 2016. The District is authorized to deposit cash weekly.

**Note 5 – Pension Plans**

A. State Sponsored Pension Plans

Substantially all East County Fire and Rescue'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, PERS II, and PERS III.

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

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

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

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

East County Fire and Rescue also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve

Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

At June 30, 2023, the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities (09), was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	8964.52	0.00131600%	2,282,732,000	30,041	
PERS 2/3	14933.45	0.00169800%	(4,098,683,000)		(69,596)
LEOFF 2	64859.21	0.02873500%	(2,398,598,000)		(689,237)
VFFRPF	180.00	0.100000%	(20,601)		(20,601)
		<i>Totals</i>		\$ 30,041	\$ (779,434)

**LEOFF Plan 2**

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

**Note 6 - Property Tax**

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

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

The district's regular levy for the year 2023 was \$1.0969059376 per \$1,000 on an assessed valuation of \$2,687,919,291 for a total regular levy of \$2,948,394.63.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

East County Fire and Rescue also levied an amount for Emergency Transport Services. When collected, these funds are automatically transferred to City of Camas (Fund 6620) and used to defray EMS costs incurred by the District. The collection and transfer of these funds is done in accordance with a service agreement for the Emergency Medical Transport Services Program. Participants in this agreement include East County Fire and Rescue, City of Camas, and the City of Washougal.

East County Fire and Rescue's EMS levy for the year 2023 was \$0.2624700200 per \$1,000 on an assessed valuation of \$ 2,687,919,291 for a total EMS levy of \$705,498.23.

**Note 7 – Risk Management**

East County Fire and Rescue is a member of Clark County Fire Rescue Risk Management Group, Inc. MacIlvennie Associates, Inc. is the insurer for the Clark County Fire and Rescue Management Group. This is a joint venture with Clark County FPD #6, Clark County Fire and Rescue, Cowlitz 2 Fire and Rescue, Cowlitz County FPD #6, and the Fairgrounds Fire Facility Board. Insurance coverage within the risk management pool includes auto, buildings, personal property, and general liability. Deductibles for coverage within the risk pool are as follows: Buildings and personal property \$1000, loss due to flood \$1000, earthquake 2%, automobile \$250, portable equipment \$100. Financial statements for the Clark County Fire Rescue Risk Management Group can be obtained from Clark County Fire District #6, in Vancouver, Washington.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**Note 1 - Summary of Significant Accounting Policies**

East County Fire and Rescue was incorporated on May 26, 2006, as the result of a successful merger between Clark County Fire District #1 and Clark County Fire District #9, and operates under the laws of the state of Washington applicable to a Fire Department. East County Fire and Rescue is a special purpose local government and provides fire protection and emergency response 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 001**

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.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

Special Revenue Funds 101

This is the primary Fund used for accounting of Emergency Medical Services (EMS) Levy funds that are “passed through” East County Fire and Rescue to the City of Camas via their EMS fund 6620. The collection and transfer of these funds is done in accordance with a service agreement for the Emergency Medical Transport Services Program. Participants in this agreement include East County Fire and Rescue, City of Camas, and the City of Washougal.

Debt Service Funds 201

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.

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

Vacation leave may be accumulated up to one and one half times the annual accrual for LEOFF personnel, up to two times the annual accrual for all other full time personnel, and is payable upon separation or retirement. Sick leave may be accumulated up to 1352 hours for IAFF personnel, 1200 hours for OPEIU personnel, 1040 for the Fire Chief. Part-time personnel accrue WSPL at the rate of one hour for every 40 hours worked but only carry over 40 hours to the next year. Upon separation or retirement, employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

The total Compensated Absence value as of December 31, 2022 was \$104,453.95.

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. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
6291-1		691,355	691,355	Apparatus Replacement
6291-2		268,686	268,686	Capital Facility Repair/Maintenance
6291-3		46,326	46,326	Leave Accrual Payout
6291-4		113,335	113,335	Major Equipment Purchases
6291-5		2210	2209.89	Copier Replacement
<i>Totals</i>	0	1,121,912	1,121,912	

**Note 2 - Budget Compliance**

East County Fire and Rescue adopts annual appropriated budgets for the General Fund (6291), the Debt Service fund (6248), and the EMS Levy fund. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - General Fund	3,153,515	2,743,253	410,262
101 - EMS Fund	688,795	686,676	2,119
201 - General Obligation Bond Fund	200,425	200,425	-

Budgeted amounts are authorized to be transferred between 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 East County Fire and Rescue's legislative body.

The 2022 General Fund final appropriated amount excludes \$298,940 of interfund transfers.

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**Note 3 – Deposits and Investments**

East County Fire and Rescue cash and investments are held by the Clark County Treasurer, in the Clark County Investment Pool, as its agent in the District's name.

Type of Deposit or Investment		ECFR Funds at Clark		Deposits & investments held by the District as custodian for other local governments, individuals, or private organizations.	Combined
		Co. Treasurer			
6291 General Fund - LGIP		2,053,597			2,053,597
6291-1 Apparatus Replacement - LGIP		691,355			691,355
6291-2 Capital Facility - LGIP		268686			268,686
6291-3 Leave Accrual - LGIP		46,326			46,326
6291-4 Equipment Reserve - LGIP		113,335			113,335
6291-5 Copier - LGIP		2,210			2,210
Totals		3,175,509		0	3,175,509

Investments in the Clark County Investment Pool

The district is a voluntary participant in the County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The county reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

The District's interest in the investment pool on December 31, 2022 was \$3,175,509.30, which is stated at fair market value. Investments in the County's pool are not subject to categorization, as specific instruments cannot be distinguished between those participating in the pool.

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

Custodial Credit Risk

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

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



**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of East County Fire and Rescue and summarizes East County Fire and Rescue's debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation bonds are as follows:

Year	Principal	Interest	Total Debt Service
2023	180,000	19,300	199,300
2024	190,000	13,000	203,000
2025	45,000	5,400	50,400
2026	45,000	3,600	48,600
2027	45,000	1,800	46,800
Totals	505,000	43,100	548,100

**Note 7 – Pension Plans**

A. State Sponsored Pension Plans

Substantially all East County Fire and Rescue'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, PERS II, and PERS III.

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

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

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

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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

At June 30, 2022, the District's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities (09), was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	9902.75	0.00161600%	2,784,367,000	44,995	
PERS 2/3	16927.25	0.00210700%	(3,708,781,000)		(78,144)
LEOFF 2	62930.14	0.03039700%	(2,717,698,000)		(826,099)
VFFRPF	210	0.110000%	(22,005,000)		(31,216)
		<i>Totals</i>		\$ 44,995	\$ (935,459)

**LEOFF Plan 2**

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

**Note 8 - Property Tax**

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

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

The district's regular levy for the year 2022 was \$1.3884802072 per \$1,000 on an assessed valuation of \$2,073,162,156 for a total regular levy of \$2,878,544.62.

East County Fire and Rescue also levied an amount for Emergency Transport Services. When collected, these funds are automatically transferred to City of Camas (Fund 6620) and used to defray EMS costs incurred by the District. The collection and transfer of these funds is done in accordance with a service agreement for the Emergency Medical Transport Services Program. Participants in this agreement include East County Fire and Rescue, City of Camas, and the City of Washougal.

East County Fire and Rescue's EMS levy for the year 2022 was \$0.3322436684 per \$1,000 on an

**East County Fire and Rescue**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

assessed valuation of \$ 2,073,162,156 for a total EMS levy of \$688,795.00.

**Note 9 – Risk Management**

East County Fire and Rescue is a member of Clark County Fire Rescue Risk Management Group, Inc. MacIlvennie Associates, Inc. is the insurer for the Clark County Fire and Rescue Management Group. This is a joint venture with Clark County FPD #6, Clark County Fire and Rescue, Cowlitz 2 Fire and Rescue, Cowlitz County FPD #6, and the Fairgrounds Fire Facility Board. Insurance coverage within the risk management pool includes auto, buildings, personal property, and general liability. Deductibles for coverage within the risk pool are as follows: Buildings and personal property \$1000, loss due to flood \$1000, earthquake 2%, automobile \$250, portable equipment \$100. Financial statements for the Clark County Fire Rescue Risk Management Group can be obtained from Clark County Fire District #6, in Vancouver, Washington.

**Note 10 – Other Disclosures**

Per RCW 43.09.240, the Clark County Treasurer granted an ongoing exception to daily deposits on December 5, 2016. The District is authorized to deposit cash weekly.

Fire Chief Michael Carnes announced he planned to retire December 2022.

**East County Fire and Rescue  
Schedule of Liabilities  
For the Year Ended December 31, 2023**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	G.O. Bond 2012	12/31/2027	505,000	-	505,000	-
	<b>Total General Obligation Debt/Liabilities:</b>		<b>505,000</b>	<b>-</b>	<b>505,000</b>	<b>-</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		104,454	-	11,352	93,102
264.30	Pension Liabilities		44,995	-	14,954	30,041
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>149,449</b>	<b>-</b>	<b>26,306</b>	<b>123,143</b>
	<b>Total Liabilities:</b>		<b>654,449</b>	<b>-</b>	<b>531,306</b>	<b>123,143</b>

**East County Fire and Rescue  
Schedule of Liabilities  
For the Year Ended December 31, 2022**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	G.O. Bond 2012	12/31/2027	680,000	-	175,000	505,000
	<b>Total General Obligation Debt/Liabilities:</b>		<b>680,000</b>	<b>-</b>	<b>175,000</b>	<b>505,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		76,775	27,679	-	104,454
264.30	Pension Liabilities		22,520	22,475	-	44,995
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>99,295</b>	<b>50,154</b>	<b>-</b>	<b>149,449</b>
	<b>Total Liabilities:</b>		<b>779,295</b>	<b>50,154</b>	<b>175,000</b>	<b>654,449</b>

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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