Office of the Washington State Auditor
Pat McCarthy

November 7, 2024

Board of Directors
Klickitat County Emergency Medical Services District No 1
Dallesport, Washington

Contracted CPA Firm's Audit Report on Financial Statements

We have reviewed the audit report issued by a certified public accounting (CPA) firm on the financial statements of Klickitat County Emergency Medical Services District No 1 for the fiscal year ended December 31, 2023. The District contracted with the CPA firm for this audit and requested that we accept it in lieu of performing our own audit.

Based on this review, we have accepted this report in lieu of the audit required by RCW 43.09.260. The Office of the Washington State Auditor did not audit the accompanying financial statements and, accordingly, we do not express an opinion on those financial statements.

This report is being published on the Office of the Washington State Auditor website as a matter of public record.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

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Klickitat County Emergency Medical Services District No. 1

Basic Financial Statements and Independent Auditors' Reports

December 31, 2023 and 2022

ACCOUNTANTS | ADVISORS

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ACCOUNTANTS | ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Klickitat County Emergency Medical Services District No. 1
Dallesport, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Klickitat County Emergency Medical Services District No.1 (the District), 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 basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- 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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the District's Proportionate Share of Net Pension Liability (Asset) – Washington State Public Employees' Retirement System – Public Employees' Pension Plan 1, 2, and 3, and Law Enforcement Officers' and Fire Fighters' Plan 2 and Schedule of the District's Contributions – Washington State Public Employees' Retirement System – Public Employees' Pension Plan 1, 2, and 3, and Law Enforcement Officers' and Fire Fighters' Plan 2 on pages 29 and 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters for the year ended December 31, 2023. We issued a similar report for the year ended December 31, 2022, dated October 6, 2023, which has not been included with the 2023 financial compliance report. The purpose of those reports is solely 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. Those reports are 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.

DZA PLLC

Spokane Valley, Washington
September 12, 2024

Klickitat County Emergency Medical Services District No. 1
Statements of Net Position
December 31, 2023 and 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2023	2022
Current assets		
Cash and cash equivalents	**$ 4,938,290**	$ 4,303,413
Receivables:		
Patient accounts	**299,332**	284,944
Estimated third-party payor settlement	**138,071**	38,756
Taxes	**80,200**	57,354
Other	**6,018**	13,431
Prepaid expenses	**66,459**	62,064
Total current assets	**5,528,370**	4,759,962
Noncurrent assets		
Net pension asset	**788,428**	802,645
Capital assets, net	**734,482**	636,030
Total noncurrent assets	**1,522,910**	1,438,675
Deferred outflows of resources, pension plans	**569,883**	439,914
Total assets and deferred outflows of resources	**$ 7,621,163**	$ 6,638,551

See accompanying notes to basic financial statements.

Klickitat County Emergency Medical Services District No. 1
Statements of Net Position (Continued)
December 31, 2023 and 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2023	2022
Current liabilities		
Accounts payable	**$ 95,947**	$ 50,369
Accrued compensation and related liabilities	**142,299**	118,245
Accrued vacation	**51,878**	45,000
Current maturities of long-term debt and lease liability	**37,354**	36,241
Total current liabilities	**327,478**	249,855
Noncurrent liabilities		
Net pension liability	**8,012**	6,460
Long-term debt and lease liability, less current maturities	**431,409**	491,697
Total liabilities	**766,899**	748,012
Deferred inflows of resources, pension plans	**546,272**	612,298
Total liabilities and deferred inflows of resources	**1,313,171**	1,360,310
Net position		
Net investment in capital assets	**265,719**	108,092
Unrestricted	**6,042,273**	5,170,149
Total net position	**6,307,992**	5,278,241
Total liabilities, deferred inflows of resources, and net position	**$ 7,621,163**	$ 6,638,551

See accompanying notes to basic financial statements.

Klickitat County Emergency Medical Services District No. 1
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2023 and 2022

		2023		2022
Operating revenues				
Net patient service revenue	**$**	**1,518,788**	$	1,367,514
Other		**17,819**		22,923
Total operating revenues		**1,536,607**		1,390,437
Operating expenses				
Salaries and wages		**1,740,530**		1,587,382
Employee benefits		**297,629**		444,366
Supplies		**194,478**		166,943
Utilities		**18,277**		14,140
Purchased services		**137,910**		136,448
Leases and rentals		**26,887**		12,052
Repairs and maintenance		**42,279**		29,782
Depreciation and amortization		**110,435**		114,020
Insurance		**80,345**		58,336
Other		**41,678**		27,540
Total operating expenses		**2,690,448**		2,591,009
Operating loss		**(1,153,841)**		(1,200,572)
Nonoperating revenues (expenses)				
Property tax revenue		**2,016,945**		1,834,680
Intergovernmental revenue		**47,726**		48,056
Interest income		**134,781**		618
Interest expense		**(15,860)**		(20,310)
Donations		**-**		9,800
Total nonoperating revenues, net		**2,183,592**		1,872,844
Change in net position		**1,029,751**		672,272
Net position, beginning of year		**5,278,241**		4,605,969
Net position, end of year	**$**	**6,307,992**	$	5,278,241

See accompanying notes to basic financial statements.

Klickitat County Emergency Medical Services District No. 1
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Cash received from patient services	**$ 1,405,085**	$ 1,415,936
Cash received from other revenue	**25,232**	12,828
Cash paid to and on behalf of employees	**(2,187,453)**	(2,017,511)
Cash paid to suppliers and contractors	**(500,671)**	(453,340)
Net cash from operating activities	**(1,257,807)**	(1,042,087)
Cash flows from noncapital financing activities		
Cash received from intergovernmental revenue	**47,726**	48,056
Cash received from taxation for maintenance and operations	**1,994,099**	1,832,648
Net cash from noncapital financing activities	**2,041,825**	1,880,704
Cash flows from capital and related financing activities		
Interest paid on long-term debt and lease liability	**(15,860)**	(22,016)
Principal payments on long-term debt and lease liability	**(59,175)**	(87,912)
Purchase of capital assets	**(208,887)**	(13,119)
Net cash from capital and related financing activities	**(283,922)**	(123,047)
Cash flows from investing activities		
Interest received	**134,781**	618
Net increase in cash and cash equivalents	**634,877**	716,188
Cash and cash equivalents, beginning of year	**4,303,413**	3,587,225
Cash and cash equivalents, end of year	**$ 4,938,290**	$ 4,303,413

See accompanying notes to basic financial statements.

Klickitat County Emergency Medical Services District No. 1
Statements of Cash Flows (Continued)
Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of Operating Loss to Net Cash From Operating Activities		
Operating loss	**$ (1,153,841)**	$ (1,200,572)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation and amortization	**110,435**	114,020
Provision for bad debts	**133,071**	162,709
(Increase) decrease in:		
Patient accounts receivable, net	**(147,459)**	(158,348)
Estimated third-party payor settlement receivable	**(99,315)**	44,061
Other receivable	**7,413**	(10,095)
Prepaid expenses	**(4,395)**	(31,877)
Net pension asset	**14,217**	798,096
Deferred outflows of resources, pension plans	**(66,026)**	(481,773)
Increase (decrease) in:		
Accounts payable	**45,578**	23,778
Accrued compensation and related liabilities	**24,054**	208
Accrued vacation	**6,878**	20,256
Net pension liability	**1,552**	6,460
Deferred inflows of resources, pension plans	**(129,969)**	(329,010)
Net cash from operating activities	**$ (1,257,807)**	$ (1,042,087)

During the year ended December 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, which resulted in recognized lease liabilities and right-of-use assets totaling $471,369.

During the year ended December 31, 2022, the District received a donation of a vehicle for $9,800.

See accompanying notes to basic financial statements.

1. Reporting Entity and Summary of Significant Accounting Policies:

a. Reporting Entity

The Klickitat County Emergency Medical Services District No. 1 (the District) was incorporated on April 30, 2013. The District is a special purpose local government and provides ambulance services to Klickitat County, except for the territory included in Fire Districts No. 2 and No. 10. The District has no component units. The District is not a component unit of Klickitat County, Washington.

The District operates under the laws of the state of Washington relating to Washington municipal corporations. As organized, the District is exempt from the payment of federal income taxes. The Board of Directors consists of five community members appointed to three-year terms.

b. Summary of Significant Accounting Policies

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Enterprise fund accounting – The District's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash and cash equivalents – All cash receipts are deposited directly to the District's depository account at a bank. Periodically, these funds are transferred to the operating account held by the Klickitat County Treasurer (the County Treasurer). The County Treasurer acts as the District's treasurer. Warrants are issued against the cash placed with the County Treasurer, and the warrants are redeemed from a commercial bank by the County Treasurer. The County Treasurer invests cash in interest-bearing investments at the discretion of the District. For purposes of the statements of cash flows, the District considers all cash and cash investments with original maturity dates of less than 90 days as cash and cash equivalents.

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Capital assets – Capital assets are assets with an individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets, other than lease assets, are recorded at historical cost if purchased or constructed. Donated capital assets are stated at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to operations as incurred. Lease assets are stated at the present value of the future lease payments plus any payments made at or before the start of the lease and costs to place the asset in service. Lease assets are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the assets. Gains or losses on sales and retirements are included in nonoperating revenues and expenses. Depreciation and amortization are provided over the estimated useful lives of assets as determined from the American Hospital Association's published tables and management's estimate by the straight-line method using these asset lives:

Equipment	3 – 4 years
Lease right-of-use asset – building	30 years

Compensated absences – The District's policy is to permit employees to accumulate earned but unused paid time off and holiday benefits based on years of continuous service up to a maximum of 360 hours. All paid time off is accrued and expensed when earned.

Net position – Net position of the District is classified into three components. *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is the net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the District. *Unrestricted net position* is the remaining net position that does not meet the definition of *net investment in capital assets* or *restricted*. The District did not have any *restricted net position* at December 31, 2023 and 2022.

Operating revenues and expenses – The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing emergency medical services — the District's principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide emergency medical services, other than financing costs. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses, such as interest.

Restricted resources – When the District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Grants and contributions – From time to time, the District receives grants from the state of Washington and others, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects, or purposes related to the District's operating activities, are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Public employees' retirement system (PERS) plans 1, 2, and 3 and law enforcement officers' and fire fighters' (LEOFF) pension plan 2 – For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state-sponsored pension plans, and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Changes in accounting principle **–** In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The objectives of this statement are to (1) define a subscription-based information technology arrangement (SBITA); (2) establish that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) require note disclosures regarding a SBITA. The District adopted Statement No. 96 during the year ended December 31, 2023. The implementation of Statement No. 96 had no effect on the District's financial statements.

Subsequent events – Subsequent events have been reviewed through September 12, 2024, the date on which the financial statements were available to be issued.

2. Bank Deposits and Investments:

Custodial credit risk is the risk that, in the event of a depository institution failure, the District's deposits may not be returned to it. All cash, cash equivalents, and cash investments held by the County Treasurer are insured by the State of Washington Public Deposit Protection Commission (PDPC), as provided by Chapter 39.58 of *The Revised Code of Washington* (RCW) and are entirely covered by federal depository insurance or by collateral held in a multiple financial institution collateral pool administered by the Washington PDPC. Qualified public depositories, including Umpqua Bank and 1st Security Bank, pledge securities with this commission, which are available to insure public deposits within the state of Washington.

2. Bank Deposits and Investments (continued):

The District's deposits and certificates of deposit are entirely covered by the Federal Deposit Insurance Corporation or by collateral held in a multiple financial institution collateral pool administered by the PDPC.

The RCW, Chapter 39, authorizes municipal governments to invest their funds in a variety of investments including federal, state, and local government certificates, notes, or bonds; the Washington State Local Government Investment Pool; savings accounts in qualified public depositories; and certain other investments.

Amounts held in the Washington State Local Government Investment Pool at December 31, 2023 and 2022, were $-0- and $500,000, respectively.

3. Patient Accounts Receivable:

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of accounts receivable, the District analyzes its past history and identifies trends for each of its patient payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due, for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The District's allowance for uncollectible accounts for self-pay patients has not changed significantly from the prior years. The District does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant writeoffs from third-party payors.

3. Patient Accounts Receivable (continued):

Patient accounts receivable reported as current assets by the District consisted of the following amounts:

	2023	2022
Receivables from patients and their insurance carriers	**$ 424,569**	$ 374,929
Receivables from Medicare	**90,956**	63,076
Receivables from Medicaid	**24,694**	38,254
Total patient accounts receivable	**540,219**	476,259
Less allowance for uncollectible accounts	**240,887**	191,315
Patient accounts receivable, net	**$ 299,332**	$ 284,944

4. Property Taxes:

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 on property values assessed as of the same date and are intended to finance the District's activities of the same calendar year. Assessed values are established by the Klickitat County Assessor at 100 percent of fair market values. A revaluation of all property is required every four years.

Taxes are due in two equal amounts by April 30 and October 31. The assessed property is subject to lien on the levy date and taxes are considered delinquent after October 31. Collections are distributed monthly to the District by the County Treasurer.

The District is permitted by law to levy up to $0.50 per $1,000 of assessed valuation for general District purposes. Washington State Constitution and Washington State Law, RCW 84.52.069, limit the rate. The District may also levy taxes at a lower rate. Further amounts of tax need to be authorized by the vote of the people.

In November 2018, voters of Klickitat County passed Proposition No. 1 *Proposition Reauthorizing Regular Emergency Medical Services Property Tax Levy,* increasing the regular levy from approximately $0.30 to $0.50. This increase is set to expire as of December 31, 2024.

For 2023, the District's regular tax levy was approximately $0.41 per $1,000 on a total assessed valuation of $4,364,415,044, for a total regular levy of $1,776,271.

For 2022, the District's regular tax levy was approximately $0.46 per $1,000 on a total assessed valuation of $3,718,277,586, for a total regular levy of $1,719,092.

Property taxes are recorded as receivables when levied. Since state law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

Klickitat County Emergency Medical Services District No. 1
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2023 and 2022

5. Capital Assets:

Capital asset additions, retirements, transfers, and balances were as follows:

	Balance December 31, 2022	Additions	Retirements	Transfers	Balance December 31, 2023
Capital assets not being depreciated or amortized					
Land	$ -	$ 150,713	$ -	$ -	**$ 150,713**
Construction in progress	8,907	-	(8,907)	-	**-**
Total capital assets not being depreciated or amortized	8,907	150,713	(8,907)	-	**150,713**
Capital assets being depreciated or amortized					
Equipment and vehicles	1,184,354	67,081	-	-	**1,251,435**
Lease right-of-use asset - building	471,369	-	-	-	**471,369**
Total capital assets being depreciated or amortized	1,655,723	67,081	-	-	**1,722,804**
Less accumulated depreciation and amortization for					
Equipment and vehicles	(1,003,235)	(85,070)	-	-	**(1,088,305)**
Lease right-of-use asset - building	(25,365)	(25,365)	-	-	**(50,730)**
Total accumulated depreciation and amortization	(1,028,600)	(110,435)	-	-	**(1,139,035)**
Total capital assets being depreciated or amortized, net	627,123	(43,354)	-	-	**583,769**
Capital assets, net	$ 636,030	$ 107,359	$ (8,907)	$ -	**$ 734,482**

	Balance December 31, 2021	Additions	Retirements	Transfers	Balance December 31, 2022
Capital assets not being depreciated or amortized					
Construction in progress	$ 8,907	$ -	$ -	$ -	**$ 8,907**
Capital assets being depreciated or amortized					
Equipment and vehicles	1,092,633	91,721	-	-	**1,184,354**
Lease right-of-use asset - building	-	471,369	-	-	**471,369**
Total capital assets being depreciated or amortized	1,092,633	563,090	-	-	**1,655,723**
Less accumulated depreciation and amortization for					
Equipment and vehicles	(914,580)	(88,655)	-	-	**(1,003,235)**
Lease right-of-use asset - building	-	(25,365)	-	-	**(25,365)**
Total accumulated depreciation and amortization	(914,580)	(114,020)	-	-	**(1,028,600)**
Total capital assets being depreciated or amortized, net	178,053	449,070	-	-	**627,123**
Capital assets, net	$ 186,960	$ 449,070	$ -	$ -	**$ 636,030**

6. Long-term Debt and Lease Liability:

A schedule of changes in the District's long-term debt and lease liability follows:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
Long-term debt					
Note payable	$ 68,802	$ -	$ (45,868)	$ 22,934	$ 22,934
Lease liability	459,136	-	(13,307)	445,829	14,420
Total long-term debt and lease liability	**$ 527,938**	**$ -**	**$ (59,175)**	**$ 468,763**	**$ 37,354**

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
Long-term debt					
Government obligation contract - KS StateBank - 2018	$ 75,679	$ -	$ (75,679)	$ -	$ -
Note payable	-	68,802	-	68,802	22,934
Total long-term debt	75,679	68,802	(75,679)	68,802	22,934
Lease liability	-	471,369	(12,233)	459,136	13,307
Total long-term debt and lease liability	**$ 75,679**	**$ 540,171**	**$ (87,912)**	**$ 527,938**	**$ 36,241**

Long-term debt – The terms and due dates of the District's long-term debt is as follows:

- Note payable with Stryker Sales, LLC dated January 6, 2022, in the original amount of $65,578, payable in $22,934 annual installments through January 2024 for equipment.

Lease liability – The District has recorded a lease liability for the following arrangement:

- Lease liability to Juniper Investments, Inc., in the original amount of $471,369 is due in monthly installments, between $2,304 and $3,730, with imputed interest of 3.5 percent, through July 2030 with a renewal period of two successive terms of five years through July 2040.

The lease liability is reflected in the District's assets and liabilities. The District's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Scheduled principal and interest payments on lease liabilities are as follows:

Years Ending December 31,	Lease Liability Principal	Interest	Total Payments
2024	$ 14,420	$ 15,377	$ 29,797
2025	15,571	14,854	30,425
2026	16,764	14,290	31,054
2027	17,999	13,683	31,682
2028	19,279	13,033	32,312
2029 - 2033	120,401	53,626	174,027
2034 - 2038	173,299	28,216	201,515
2039 - 2040	68,096	2,017	70,113
	$ 445,829	**$ 155,096**	**$ 600,925**

7. Net Patient Service Revenue:

The District recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the District recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the District's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the District records a significant provision for bad debts related to uninsured patients in the period the services are provided. The District's provisions for bad debts and writeoffs have not changed significantly from the prior year. The District has not changed its charity care or uninsured discount policies during fiscal years 2023 or 2022.

Patient service revenue, net of contractual adjustments and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	2023	**2022**
Patient service revenue (net of contractual adjustments and discounts):		
Medicare	**$ 835,949**	$ 746,974
Medicaid	**341,468**	456,905
Other third-party payors	**296,693**	157,866
Patients	**191,432**	172,217
	1,665,542	1,533,962
Less:		
Charity care	**13,683**	3,739
Provision for bad debts	**133,071**	162,709
Net patient service revenue	**$ 1,518,788**	$ 1,367,514

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* – The District is reimbursed for services on a fee schedule as defined and limited by the Medicare program for services rendered.
- *Medicaid* – Reimbursement for services rendered to Medicaid and Medicaid managed care program beneficiaries is reimbursed on a fee schedule as defined and limited by the Medicaid program, as defined by the state of Washington. The District receives Ground Emergency Medical Transportation (GEMT) supplemental payments to cover the funding gap between actual costs per GEMT transport and the allowable amount received for Medicaid and other sources of revenue. The GEMT program provides supplemental payments to publicly owned or operated qualified providers.

7. Net Patient Service Revenue (continued):

The District also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes discounts from established charges.

Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The District provides charity care to patients who are financially unable to pay for the emergency medical care services they receive. The District's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the District does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The District determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses based on data from its costing system.

8. Risk Management and Contingencies:

Risk management – The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Professional liability coverage – The District has its professional liability insurance coverage with Enduris. The policy provides protection on an "occurrence" basis.

Enduris is a risk sharing pool established in 1987 to provide risk financing to its member government entities for liability and property coverage. Enduris' general objectives are to formulate, develop, and administer on behalf of the members a program of insurance that offers lower costs for broader coverage and comprehensive loss control programs. The pool transfers its risk by buying reinsurance and excess insurance over the pool's self-insured retention.

Members make an annual contribution to fund Enduris and share in the self-insured retention of the jointly purchased excess and reinsurance coverage. The current professional liability coverage provides $1,000,000 per claim of primary coverage with a $1,000 deductible.

Industry regulations – The emergency medical service industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

9. Defined Benefit Pension Plans:

Plan description – The District contributes to the Washington State Public Employees' Retirement System Plan 1 (PERS 1), the Washington State Public Employees' Retirement System Plan 2, the Washington State Public Employees' Retirement System Plan 3 (PERS 2/3) and the Law Enforcement Officers' and Fire Fighters' Plan 2 (LEOFF 2) (the Plans), which are cost-sharing, multiple-employer, public employee defined benefit pension plans. The state legislature establishes and amends laws pertaining to the creation and administration of the Plans.

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

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

The DRS ACFR may also be downloaded from the DRS website at the following URL: https://www.drs.wa.gov/wp-content/uploads/2023/10/2023-ACFR-Document.pdf.

Benefits provided – The Plans provide retirement, disability, and death benefits to eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of eligible service for PERS Plans 1 and 2 and LEOFF Plan 2, and after ten years of service or after five years of service if 12 months of that service are earned after age 44 for PERS Plan 3. Members of PERS Plan 1 are eligible for retirement with full benefits at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members are eligible for retirement with full benefits at age 65 with at least five years of service for PERS 2/3. Members are eligible for retirement with full benefits at age 53 with at least five years of service for LEOFF Plan 2.

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9. Defined Benefit Pension Plans (continued):

PERS membership includes all full-time, fully compensated, local public employees.

LEOFF Plan 2 membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians.

Participating members – Employee membership data related to the Plans, as of June 30, 2023, the date of the latest valuation, were as follows:

PERS Plan 1	
Inactive plan members or beneficiaries currently receiving benefits	39,461
Inactive plan members entitled to but not yet receiving benefits	147
Active plan members	509
Total	**40,117**

PERS Plan 2	
Inactive plan members or beneficiaries currently receiving benefits	72,191
Inactive plan members entitled to but not yet receiving benefits	30,755
Active plan members	135,634
Total	**238,580**

PERS Plan 3	
Inactive plan members or beneficiaries currently receiving benefits	8,922
Inactive plan members entitled to but not yet receiving benefits	7,606
Active plan members	37,977
Total	**54,505**

LEOFF Plan 2	
Inactive plan members or beneficiaries currently receiving benefits	10,011
Inactive plan members entitled to but not yet receiving benefits	1,438
Active plan members	19,307
Total	**30,756**

9. Defined Benefit Pension Plans (continued):

Contribution rates – The employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund the Plan. Employers and employees pay at the rate the Plan Retirement Board adopts.

The contribution rates (expressed as a percentage of covered payroll) for 2023 and 2022 were as follows:

2023

	PERS 1		PERS 2		PERS 3		LEOFF 2	
Actual Contribution Rates	**Employer**	**Employee**	**Employer**	**Employee**	**Employer**	**Employee**	**Employer**	**Employee**
State and local governments	6.36%	12.26%	6.36%	15.90%	6.36%	7.50%	5.12%	8.53%
State of Washington	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.41%	0.00%
PERS Plan 1 UAAL	3.85%	0.00%	3.85%	0.00%	3.85%	0.00%	0.00%	0.00%
Administrative fee	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Total	10.39%	12.26%	10.39%	15.90%	10.39%	7.50%	8.71%	8.53%

2022

	PERS 1		PERS 2		PERS 3		LEOFF 2	
Actual Contribution Rates	**Employer**	**Employee**	**Employer**	**Employee**	**Employer**	**Employee**	**Employer**	**Employee**
State and local governments	6.36%	12.26%	6.36%	15.90%	6.36%	7.50%	5.12%	8.53%
State of Washington	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.41%	0.00%
PERS Plan 1 UAAL	3.71%	0.00%	3.71%	0.00%	3.71%	0.00%	0.00%	0.00%
Administrative fee	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Total	10.25%	12.26%	10.25%	15.90%	10.25%	7.50%	8.71%	8.53%

The District's actual contributions to the Plans were $81,305 and $75,908 for the years ended December 31, 2023 and 2022, respectively.

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 LEOFF Plan 2 in accordance with the recommendations of the OSA and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

For the state fiscal years ended June 30, 2023 and 2022, the state contributed $87,966,142 and $81,388,085 to LEOFF Plan 2, respectively. The amount recognized by the District for its proportionate share of these amounts is $47,726 and $48,056, respectively.

Actuarial assumptions – Valuations are based on an actuarial valuation as of June 30, 2022, with the results rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- **Inflation:** 2.75 percent total economic inflation; 3.25 percent salary inflation
- **Salary increases:** In addition to the base 3.25 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7 percent

9. Defined Benefit Pension Plans (continued):

Actuarial assumptions (continued) – Mortality rates were based on the RP-2010 *Combined Healthy Table and Combined Disabled Table*, published by the Society of Actuaries. The OSA applied offsets to each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the 2013-2018 *Demographic Experience Study Report* and the *2021 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report.

Long-term expected rate of return – OSA selected a 7 percent long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that proceeded past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the Washington State Investment Board (WSIB) provided.

The CMAs contain three pieces of information for each class of asset the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the table below.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	20.00%	1.50%
Tangible assets	7.00%	4.70%
Real estate	18.00%	5.40%
Global equity	32.00%	5.90%
Private equity	23.00%	8.90%
Total	**100.00%**	

The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

9. Defined Benefit Pension Plans (continued):

Discount rate – The discount rate used to measure the total pension liability (asset) for all DRS plans was 7 percent. To determine that rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7 percent on pension plan investments was applied to determine the total pension liability (asset).

Sensitivity of the net pension asset to changes in the discount rate – The table below presents the District's proportionate share of the net pension asset calculated using the discount rate of 7 percent, as well as what the District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (6 percent) or one percentage point higher (8 percent) than the current rate.

	Discount Rate	District's Proportionate Share of Net Pension Asset (Liability)
PERS 1		
1% decrease	6.00%	$ 11,194
Current discount rate	7.00%	8,012
1% increase	8.00%	5,236
PERS 2/3		
1% decrease	6.00%	$ 20,149
Current discount rate	7.00%	(18,526)
1% increase	8.00%	(50,300)
LEOFF 2		
1% decrease	6.00%	$ 127,475
Current discount rate	7.00%	(769,902)
1% increase	8.00%	(1,504,328)

Pension plan fiduciary net position – Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

9. Defined Benefit Pension Plans (continued):

Pension (assets) liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – The District's proportionate share of the collective net pension assets and liabilities were as follows:

	2023		
Plan	**Allocation %**	**Liability (Asset)**	
PERS 1	0.000351%	$	8,012
PERS 2/3	0.000452%		(18,526)
LEOFF 2	0.032098%		(769,902)
Total		**$**	**(780,416)**

	2022		
Plan	**Allocation %**	**Liability (Asset)**	
PERS 1	0.000232%	$	6,460
LEOFF 2	0.029534%		(802,645)
Total		**$**	**(796,185)**

The amount of the asset reported above for LEOFF Plan 2 reflects a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the District were as follows:

	LEOFF 2 Asset	
	2023	**2022**
Employer's proportionate share	$ (769,902)	$ (802,645)
State's proportionate share of the net pension asset associated with the employer	(491,651)	(519,936)
Total	**$ (1,261,553)**	**$ (1,322,581)**

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations*.

In fiscal year 2023, the state of Washington contributed 39 percent of LEOFF PLAN 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension asset was measured as of June 30, 2023, and the actuarial valuation date on which the total pension asset is based was as of June 30, 2022, with update procedures used to roll forward the total pension liability to the measurement date.

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9. Defined Benefit Pension Plans (continued):

Pension expense – Although the District's employees are only members of the PERS 2/3 and LEOFF Plans, a portion of all contributions made by PERS employers are diverted to fund the PERS 1 Unfunded Actuarial Accrued Liability (UAAL). Therefore, the District is required to record its share of the PERS 1 UAAL.

For the years ended December 31, 2023 and 2022, the District recognized pension expense of ($51,195) and $117,736, respectively.

Deferred outflows of resources and deferred inflows of resources – The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1		
Net difference between projected and actual earnings on plan investments	$ -	$ 905
The District's contributions subsequent to the measurement date	1,218	-
	1,218	**905**
PERS 2/3		
Differences between expected and actual experience	3,774	207
Changes in assumptions or other inputs	7,778	1,695
Changes in proportion and differences between contributions and proportionate share of contributions	-	12,861
Net difference between projected and actual earnings on plan investments	-	6,982
The District's contributions subsequent to the measurement date	2,025	-
	13,577	**21,745**
LEOFF 2		
Differences between expected and actual experience	314,483	6,335
Changes in assumptions or other inputs	196,669	63,241
Changes in proportion and differences between contributions and proportionate share of contributions	7,035	291,136
Net difference between projected and actual earnings on plan investments	-	162,910
The District's contributions subsequent to the measurement date	36,901	-
	555,088	**523,622**
Total	**$ 569,883**	**$ 546,272**

9. Defined Benefit Pension Plans (continued):

Deferred outflows of resources and deferred inflows of resources (continued)

2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1		
Net difference between projected and actual earnings on plan investments	$ -	$ 1,071
The District's contributions subsequent to the measurement date	859	-
	859	**1,071**
LEOFF 2		
Differences between expected and actual experience	190,722	7,447
Changes in assumptions or other inputs	203,333	69,889
Changes in proportion and differences between contributions and proportionate share of contributions	7,999	265,135
Net difference between projected and actual earnings on plan investments	-	268,756
The District's contributions subsequent to the measurement date	37,001	-
	439,055	611,227
Total	**$ 439,914**	**$ 612,298**

9. Defined Benefit Pension Plans (continued):

Deferred outflows of resources and deferred inflows of resources (continued) – Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as an addition to pension expense in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PERS 1	
Years Ending December 31,	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
2023	$ -	$ (615)
2024	-	(773)
2025	-	477
2026	-	6
Total	**$ -**	**$ (905)**

	PERS 2/3	
Years Ending December 31,	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
2023	$ 2,483	$ (7,964)
2024	2,440	(8,652)
2025	2,330	1,265
2026	2,162	(2,251)
2027	2,054	(2,180)
Thereafter	83	(1,963)
Total	**$ 11,552**	**$ (21,745)**

	LEOFF 2	
Years Ending December 31,	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
2023	$ 65,743	$ (176,537)
2024	65,743	(202,845)
2025	65,743	28,973
2026	65,743	(61,066)
2027	64,620	(48,188)
Thereafter	190,595	(63,959)
Total	**$ 518,187**	**$ (523,622)**

10. Risk Concentrations:

Patient accounts receivable – The District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The majority of these patients are geographically concentrated in and around Klickitat County. The mix of receivables from patients was as follows:

	2023	2022
Medicare	**24 %**	25 %
Medicaid	**11**	19
Other third-party payors	**34**	28
Patients	**31**	28
	100 %	100 %

Collective bargaining unit – The District has entered into a collective bargaining agreement with the International Association of Fire Fighters (IAFF) labor union as of January 1, 2022 through December 31, 2023. The District entered into a new agreement with IAFF effective as of January 1, 2024 through December 31, 2025. As of December 31, 2023 and 2022, 53 percent and 64 percent of the District's employees are represented by the union, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

Klickitat County Emergency Medical Services District No. 1
Schedule of the District's Proportionate Share of Net Pension Liability (Asset)
Washington State Public Employees' Retirement System – Public Employees' Pension Plan 1, 2, and 3, and Law Enforcement Officers' and Fire Fighters' Plan 2
Last 10 Years *

PERS 1

Years Ended December 31,	District's Portion of the Net Pension Asset	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Asset Associated with the Employer	Total	District's Covered-employee Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.000232%	$ (6,460)	$ -	$ (6,460)	$ 1,413,549	0.46%	76.56%
2023	0.000351%	$ (8,012)	$ -	$ (8,012)	$ 1,572,146	0.51%	80.16%

PERS 2/3

Years Ended December 31,	District's Portion of the Net Pension Asset	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Asset Associated with the Employer	Total	District's Covered-employee Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.000452%	$ 18,526	$ -	$ 18,526	$ 1,572,146	1.18%	107.02%

LEOFF 2

Years Ended December 31,	District's Portion of the Net Pension Asset	District's Proportionate Share of the Net Pension Asset	State's Proportionate Share of the Net Pension Asset Associated with the Employer	Total	District's Covered-employee Payroll	District's Proportionate Share of the Net Pension Asset as a Percentage of its Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
2018	0.014400%	$ 292,351	$ 189,292	$ 481,643	$ 964,887	30.30%	118.50%
2019	0.025642%	593,629	388,748	982,377	953,901	62.23%	119.43%
2020	0.028068%	572,546	366,100	938,646	983,803	58.20%	115.83%
2021	0.027559%	1,600,741	1,032,653	2,633,394	1,076,619	148.68%	142.00%
2022	0.029534%	802,645	519,936	1,322,581	1,413,549	56.78%	116.09%
2023	0.032098%	769,902	491,651	1,261,553	1,572,146	48.97%	113.17%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30 (measurement date) of each year reported.

Klickitat County Emergency Medical Services District No. 1
Schedule of the District's Contributions
Washington State Public Employees' Retirement System – Public Employees' Pension Plan 1, 2, and 3, and Law Enforcement Officers' and Fire Fighters' Plan 2
Last 10 Years *

PERS 1

Years Ended December 31,	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency	District's Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
2022	$ 1,394	$ 1,722	$ 328	$ 1,413,549	0.12%
2023	2,420	2,466	46	1,572,146	0.16%

PERS 2/3

Years Ended December 31,	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency	District's Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
2023	$ 3,988	$ 4,102	$ 114	$ 1,572,146	0.26%

LEOFF 2

Years Ended December 31,	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency	District's Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
2018	$ 52,393	$ 52,393	$ -	$ 964,887	5.43%
2019	51,332	51,332	-	953,901	5.38%
2020	52,437	52,437	-	983,803	5.33%
2021	55,277	55,277	-	1,076,619	5.13%
2022	55,014	74,186	19,172	1,413,549	5.25%
2023	79,304	74,737	(4,567)	1,572,146	4.75%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30 (measurement date) of each year reported.

INDEPENDENT AUDITORS' 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*

Board of Directors
Klickitat County Emergency Medical Services District No. 1
Dallesport, Washington

We have audited, in accordance with the 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 Klickitat County Emergency Medical Services District No. 1 (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 entity'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 in the first paragraph of this section 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

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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*.

The District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DZA PLLC

Spokane Valley, Washington
September 12, 2024

Klickitat County Emergency Medical Services District No. 1
Schedule of Findings and Responses
Year Ended December 31, 2023

2023-001 Auditor Detected Adjustments

	[ ] Control Deficiency [ ] Significant Deficiency [X] Material Weakness
Criteria	Timely and accurate information should be available to management and those charged with governance to make decisions. No material audit adjustments should be proposed by auditors during the audit process.
Condition	An audit adjustment was proposed to the allowance for contractual adjustments and bad debts (allowance).
Context	The finding appears to be a *systemic* problem.
Effect	There was a material error in the financial statements that was corrected through an auditor proposed adjustment.
Cause	The District understated the allowance at the year end.
Recommendation	The District should ensure that the allowance is updated at least annually and reviewed in detail to ensure write-off percentages used are accurate and appropriate based on actual activity.
Management's Response	The District will ensure all allowances and bad debt are updated annually and patients accounts receivable are reconciled to the general ledger.

Klickitat County Emergency Medical Services District No. 1
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023

Finding No. 2022-001 – Auditor Detected Adjustments – Repeated as 2023-001