



Office of the Washington State Auditor  
Pat McCarthy

## Financial Statements Audit Report

# Grant County Fire Protection District No. 5

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

*Published February 10, 2025*

Report No. 1036587



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

February 10, 2025

Board of Commissioners  
Grant County Fire Protection District No. 5  
Moses Lake, Washington

**Report on Financial Statements**

Please find attached our report on Grant County Fire Protection District No. 5's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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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*

#### **Grant County Fire Protection District No. 5 January 1, 2022 through December 31, 2023**

Board of Commissioners  
Grant County Fire Protection District No. 5  
Moses Lake, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Grant County Fire Protection District No. 5, 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 February 3, 2025.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

## REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

February 3, 2025

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Grant County Fire Protection District No. 5 January 1, 2022 through December 31, 2023**

Board of Commissioners  
Grant County Fire Protection District No. 5  
Moses Lake, Washington

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

### **Unmodified and Adverse Opinions**

We have audited the financial statements of Grant County Fire Protection District No. 5, 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 Grant County Fire Protection District No. 5, 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 Grant County Fire Protection District No. 5, 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.

## **Matters of Emphasis**

As discussed in Note 9 to the financial statements, in 2023, the District adopted new accounting guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS Manual. Our opinion is not modified with respect to this matter

## **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 February 3, 2025 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

February 3, 2025

## **FINANCIAL SECTION**

### **Grant County Fire Protection District No. 5 January 1, 2022 through December 31, 2023**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2023 and 2022  
Notes to Financial Statements – 2023 and 2022

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

Schedule of Liabilities – 2023 and 2022

**Grant County Fire Protection District No. 5**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	5,308,552
388 / 588	Net Adjustments	2,138

**Revenues**

310	Taxes	2,686,117
320	Licenses and Permits	-
330	Intergovernmental Revenues	163,978
340	Charges for Goods and Services	436,471
350	Fines and Penalties	-
360	Miscellaneous Revenues	267,199
Total Revenues:		3,553,765

**Expenditures**

510	General Government	-
520	Public Safety	2,229,557
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,229,557
Excess (Deficiency) Revenues over Expenditures:		1,324,208

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	18,389
Total Other Increases in Fund Resources:		18,389

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	740,440
591-593, 599	Debt Service	25,216
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	3,219
Total Other Decreases in Fund Resources:		768,875

**Increase (Decrease) in Cash and Investments: 573,722**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	5,884,407
Total Ending Cash and Investments		5,884,407

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

**Grant County Fire Protection District No. 5**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	6,482,766
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	2,625,119
320	Licenses and Permits	-
330	Intergovernmental Revenues	8,214
340	Charges for Goods and Services	385,072
350	Fines and Penalties	-
360	Miscellaneous Revenues	280,069
Total Revenues:		3,298,474

**Expenditures**

510	General Government	-
520	Public Safety	1,981,400
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		1,981,400
Excess (Deficiency) Revenues over Expenditures:		1,317,074

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	26,913
Total Other Increases in Fund Resources:		26,913

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	2,518,205
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		2,518,205

**Increase (Decrease) in Cash and Investments:** **(1,174,218)**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	5,308,552
Total Ending Cash and Investments		5,308,552

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

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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

The Grant County Fire Dist. # 5 was incorporated in 1949 and operates under the laws of the state of Washington applicable to a Fire District. The district is a special purpose local government and provides fire protection and emergency medical services.

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

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

**A. Fund Accounting**

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

**GOVERNMENTAL FUND TYPES:**

**General Fund**

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

**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*.

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000.00 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

**E. Compensated Absences**

Vacation leave may be accumulated up to 2 years and is payable upon separation or retirement. Sick leave may be accumulated up to 120 working days for all shifts other than the 24-hour shift which may accumulate up to 1392 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid. The districts estimated liability for vacation leave termination benefits on December 31, 2023, were \$101,024.53.

**Note 2 - Budget Compliance**

The district adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
001 GRANT COUNTY FPD#5-GENERAL	4,431,173	2,996,299	1,434,873	Training center construction delays

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

**Note 3 – Deposits and Investments**

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

Type of Deposit or Investment	District's own deposits & investments	Combined
County Treasurer State Pool	5,871,148	5,871,148
<i>Totals</i>	5,871,148	5,871,148

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

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Investments in Grant 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 fair value, which is the same as the value of the pool per share. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals/disclose any liquidity fees or redemption gates.

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).

**Note 4 – Other Disclosures**

**MACC:**

Interlocal Agreement for the Operations of the Multi Agency Communication Center (MACC)

Grant County, Cities and Fire Districts in Grant County, as well as the Port of Moses Lake entered an interlocal agreement to establish the Multi Agency Communications Center (MACC), an E911 communications center for Grant County. The district does not make a financial contribution to MACC other than through the 911 tax imposed upon its residents by State Law and contract payments for dispatch services. The Board of Directors established under Interlocal has the authority to establish a fair and equitable contribution from each participating entity for MACC. Interlocal provides enhanced 911 services. A member appointed by Grant County Cities & Towns represents the District on the Board of Directors. The property acquired by MACC is shared by the participants in the Agreement to the same extent as they have made financial contributions to MACC. Detailed financial statements for this entity can be obtained from MACC at 6500 32nd Ave NE, Suite 911, Moses Lake, WA 98837.

**ARPA:**

Grant County Fire District No. 15 passed a resolution for Grant County Fire District No. 5 to spend their portion of the ARPA pass through grant in the amount of \$100,000.00 per contract.

Grant County Fire District No. 5 applied for pass through grant ARPA from the Grant County Commissioners in the amount of \$100,000.00.

**Note 5 – Paid Family Medical Leave Act Self-Insurance**

Due to the number of employees, the district is not required to participate as an employer.



**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**Note 6 – Pension Plans**

A. State Sponsored Pension Plans

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

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

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

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

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

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

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

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	1806	0.00026500%	2,282,732,000	6,049	
PERS 2/3	3001.58	0.00034100%	(4,098,683,000)		(13,977)
LEOFF 2	39077.73	0.01731300%	(2,398,598,000)		(415,269)
VFFRPF	1860	1.070000%	19,931,000		(212,872)
		<i>Totals</i>		\$ 6,049	\$ (642,118)

**LEOFF Plan 1**

The district doesn't participate in LEOFF Plan 1.

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**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.

**B. Local Government Pension Plans**

**C. Defined Contribution Pension Plans**

**Note 7 - Property Tax**

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

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

The district's regular levy for the year 2023 was \$1.1640110385 per \$1,000 on an assessed valuation of \$2,315,891,414 for a total regular levy of \$2,695,723.17.

**Note 8 – Risk Management**

Type of Risk	Self -insured	Not Applicable	Or Name of Insurer
Property & Liability	N		VFIS
Health & Welfare	N		WFCA Trustees Plan
Unemployment Compensation (ESD)	Y		Reimbursable Employment Sec. Dept.
Workers Compensation (L&I)	N		WA Dept. of L and I
Family Leave		N/A	

Grant County Fire District No. 5 purchases commercial insurance for all other insurance needs.

Grant County Fire District 5 is self-insured for their unemployment insurance.

Commercial insurance carriers are: VFIS. Policy VFNU-TR-0032324-00

Property policy deductible \$1,000 for buildings and business personal property

Blanket Contents Limit \$679,606

General liability policy - \$10,000,000 general aggregate, \$1,000,000 per occurrence included  
Professional Health Care and Management Liability.

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Public Employee Dishonesty Blanket per employee \$750,000/no deductible, Chief \$100,000, Secretary \$100,000.

Public Employee Dishonesty Blanket per loss \$250,000/no deductible, Forgery & Alteration \$25,000 / no deductible.

Auto policy National Union Fire Insurance Company of Pittsburgh, Pa. \$1,000,000 single limit some have comp and collision with Ded. of \$500.

Inland Marine policy -Unlimited, Guaranteed Replacement Cost/ \$1000 deductible.

Umbrella policy \$20,000,000 limit / no deductible or SIR, Cyber Liability \$1,000,000.

**Note 9 – SBITA (Lessees)**

During 2023, the district adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

Year	SBITA Payments
2024	\$4,479.50
2025	\$16,993.72
<i>Total</i>	<i>\$21,473.22</i>

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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

The Grant County Fire Dist. # 5 was incorporated in 1949 and operates under the laws of the state of Washington applicable to a Fire District. The district is a special purpose local government and provides fire protection and emergency medical services.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

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.

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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 \$5,000.00 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 2 years and is payable upon separation or retirement. Sick leave may be accumulated up to 120 days. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid. The districts estimated liability for vacation leave termination benefits on December 31, 2022, were \$90,914.00.

**Note 2 - Budget Compliance**

The district adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
001 GRANT COUNTY FPD#5-GENERAL	6,082,040	4,499,602	1,582,438	Training center construction delays

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

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**Note 3 – Deposits and Investments**

Investments are reported at (amortized cost/original cost/fair value). Deposits and investments by type on December 31, 2022, are as follows:

Type of Deposit or Investment	Deposits & investments held by the (City,Town/District) as custodian for other local governments, individuals, or private organizations.	Combined
County Treasurer State Pool	5,297,834	5,297,834
		0
<i>Totals</i>	5,297,834	5,297,834

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

Investments in (county investment pool)

The district is a voluntary participant in the 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 fair value, which is the same as the value of the pool per share. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals/disclose any liquidity fees or redemption gates.

**Note 4 – Other Disclosures**

**Interlocal Agreement for the Operations of the Multi Agency Communication Center (MACC)**

Grant County, Cities and Fire Districts in Grant County, as well as the Port of Moses Lake entered an interlocal agreement to establish the Multi Agency Communications Center (MACC), an E911 communications center for Grant County. The district does not make a financial contribution to MACC other than through the 911 tax imposed upon its residents by State Law and contract payments for dispatch services. The Board of Directors established under Interlocal has the authority to establish a fair and equitable contribution from each participating entity for MACC. Interlocal provides enhanced 911 services. A member appointed by Grant County Cities & Towns represents the District on the Board of Directors. The property acquired by MACC is shared by the participants in the Agreement to the same extent as they have made financial contributions to MACC. Detailed financial statements for this entity can be obtained from MACC at 6500 32nd Ave NE, Suite 911, Moses Lake, WA 98837.

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**Note 5 – Pension Plans**

A. State Sponsored Pension Plans

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

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

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

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

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

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

On June 30, 2021 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

LEOFF Plan 1

The district no participates in LEOFF Plan 1.

**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

LEOFF Plan 2

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	1304.5	0.00021300%	2,784,367,000	5,931	
PERS 2/3	2227.91	0.00027700%	(3,708,781,000)	(10,273)	(10,273)
LEOFF 2	40922.61	0.01976700%	(2,717,698,000)	(537,207)	(537,207)
VFFRPF	2070	1.090000%	(22,005,000)	307,702	307,702
	46525.02	Totals		\$ (233,848)	\$ (239,779)

The district participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF 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 after the end of each month.

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

The district's regular levy for the year 2022 was \$1.2576565335 per \$1,000 on an assessed valuation of \$2,089,294,048 for a total regular levy of \$2,627,614.31.

#### **Note 7 – Risk Management**

Grant County Fire District 5 is self-insured for their unemployment insurance.

The district purchases commercial insurance for all other insurance needs.

Commercial insurance carriers are: Arch Insurance Company / McNeil and Company Inc.

Property policy deductible \$2,500 for buildings and business personal property

General liability policy - \$10,000,000 general aggregate, \$1,000,000 per occurrence

Crime policy Employee Theft limit \$1,000,000 / \$25,000 Forgery & Alteration  
\$25,000 / no deductible

Auto policy #MEPK07766312 \$1,000,000 single limit



**Grant County Fire District No. 5**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

Inland Marine policy #MEIM07781311 -covers scheduled auto physical damage / \$500 deductible.

Umbrella policy \$10,000,000 limit / no deductible / Umbrella limit is in addition to General liability limits and Auto limit.

**Grant County Fire Protection District No. 5**  
**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>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net pension Liabilities		5,931	118	-	6,049
259.12	Compensated Absences		90,914	10,111	-	101,025
263.57	ESO	10/11/2025	-	18,849	5,410	13,439
263.57	Springbrook Express	12/31/2025	-	27,841	19,806	8,035
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>96,845</b>	<b>56,919</b>	<b>25,216</b>	<b>128,548</b>
<b>Total Liabilities:</b>			<b>96,845</b>	<b>56,919</b>	<b>25,216</b>	<b>128,548</b>

**Grant County Fire Protection District No. 5**  
**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>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liabilities		3,554	2,377	-	5,931
259.12	Compensated Absences		84,249	6,665	-	90,914
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>87,803</b>	<b>9,042</b>	<b>-</b>	<b>96,845</b>
<b>Total Liabilities:</b>			<b>87,803</b>	<b>9,042</b>	<b>-</b>	<b>96,845</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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