



Washington State Auditor's Office

Independence • Respect • Integrity

Financial Statements Audit Report **East County Fire and Rescue** Clark County

For the period January 1, 2013 through December 31, 2014

Published November 12, 2015

Report No. 1015521





Washington State Auditor's Office

November 12, 2015

Board of Commissioners
East County Fire and Rescue
Camas, Washington

Report on Financial Statements

Please find attached our report on East County Fire and Rescue's financial statements.

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

Sincerely,

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

TABLE OF CONTENTS

Independent Auditor’s 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	4
Independent Auditor’s Report On Financial Statements	7
Financial Section.....	10
About The State Auditor’s Office.....	41

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**East County Fire and Rescue
Clark County
January 1, 2013 through December 31, 2014**

Board of Commissioners
East County Fire and Rescue
Washougal, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of East County Fire and Rescue, Washington, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 5, 2015.

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 Washington State statutes 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.

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) to determine the 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 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

November 5, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

East County Fire and Rescue Clark County January 1, 2013 through December 31, 2014

Board of Commissioners
East County Fire and Rescue
Washougal, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of East County Fire and Rescue, Washington, for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 10.

Management's Responsibility 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 Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, East County Fire and Rescue has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using 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 financial statements referred to above present fairly, in all material respects, the financial position and results of operations of East County Fire and Rescue, for the years ended December 31, 2014 and 2013, on the basis of accounting described in Note 1.

Basis for 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. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of East County Fire and Rescue, as of December 31, 2014 and

2013, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Other Matters

Supplementary and Other Information

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying 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 taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015 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. 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 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.



JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

November 5, 2015

FINANCIAL SECTION

East County Fire and Rescue Clark County January 1, 2013 through December 31, 2014

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2014
Fund Resources and Uses Arising from Cash Transactions – 2013
Notes to Financial Statements – 2014
Notes to Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2014
Schedule of Liabilities – 2013

East County Fire and Rescue
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		<u>Total for All Funds (Memo Only)</u>	<u>001 General</u>	<u>101 EMS Levy Passthrough</u>	<u>201 Debt Service</u>
Beginning Cash and Investments					
30810	Reserved	465,073	463,375	-	1,698
30880	Unreserved	842,324	842,324	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	2,056,315	1,670,902	385,413	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	106,730	106,730	-	-
340	Charges for Goods and Services	195,699	195,699	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	58,444	58,444	-	-
Total Operating Revenues:		<u>2,417,187</u>	<u>2,031,774</u>	<u>385,413</u>	<u>-</u>
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	1,790,203	1,790,203	-	-
Total Operating Expenditures:		<u>1,790,203</u>	<u>1,790,203</u>	<u>-</u>	<u>-</u>
Net Operating Increase (Decrease):		<u>626,984</u>	<u>241,571</u>	<u>385,413</u>	<u>-</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	32,988	32,988	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	245,518	-	-	245,518
Total Nonoperating Revenues:		<u>278,506</u>	<u>32,988</u>	<u>-</u>	<u>245,518</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	245,518	-	-	245,518
594-595	Capital Expenditures	390,382	4,969	385,413	-
597	Transfers-Out	245,518	245,518	-	-
Total Nonoperating Expenditures:		<u>881,418</u>	<u>250,487</u>	<u>385,413</u>	<u>245,518</u>
Net Increase (Decrease) in Cash and Investments:		<u>24,072</u>	<u>24,072</u>	<u>-</u>	<u>-</u>
Ending Cash and Investments					
50810	Reserved	305,526	303,828	-	1,698
50880	Unreserved	1,025,009	1,025,009	-	-

The accompanying notes are an integral part of this statement.

East County Fire and Rescue
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2013

		<u>Total for All Funds (Memo Only)</u>	<u>001 General</u>	<u>101 EMS Levy Pass Through</u>	<u>201 Debt Service</u>
Beginning Cash and Investments					
30810	Reserved	376,820	375,122	-	1,698
30880	Unreserved	945,011	945,011	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	1,868,432	1,520,547	347,885	-
320	Licenses & Permits	-	-	-	-
330	Intergovernmental Revenues	312,238	312,238	-	-
340	Charges for Goods and Services	156,727	156,727	-	-
350	Fines & Penalties	-	-	-	-
360	Miscellaneous Revenues	13,372	13,372	-	-
Total Operating Revenues:		<u>2,350,769</u>	<u>2,002,884</u>	<u>347,885</u>	<u>-</u>
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	1,771,883	1,771,883	-	-
Total Operating Expenditures:		<u>1,771,883</u>	<u>1,771,883</u>	<u>-</u>	<u>-</u>
Net Operating Increase (Decrease):		<u>578,886</u>	<u>231,001</u>	<u>347,885</u>	<u>-</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	5,626	5,626	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	240,873	-	-	240,873
Total Nonoperating Revenues:		<u>246,499</u>	<u>5,626</u>	<u>-</u>	<u>240,873</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	240,873	-	-	240,873
594-595	Capital Expenditures	363,219	15,334	347,885	-
597	Transfers-Out	240,873	240,873	-	-
Total Nonoperating Expenditures:		<u>844,965</u>	<u>256,207</u>	<u>347,885</u>	<u>240,873</u>
Net Increase (Decrease) in Cash and Investments:		<u>(19,580)</u>	<u>(19,580)</u>	<u>-</u>	<u>-</u>
Ending Cash and Investments					
50810	Reserved	465,073	463,375	-	1,698
50880	Unreserved	842,324	842,324	-	-

The accompanying notes are an integral part of this statement.

East County Fire & Rescue

For Fiscal Years 2013 and 2014

Note 1 - Summary of Significant Accounting Policies

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

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined 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. East County Fire and Rescue'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. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund 001

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

Special Revenue Funds 101

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

Debt Service Funds 201

This Fund accounts for the accumulation of resources to pay principal, interest, and other related costs on general long-term debt generated by the District.

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.

In accordance with state law East County Fire and Rescue also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

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

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

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

2013

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
6291	\$2,008,509.68	\$2,028,090.00	-\$19,580.32
EMS Levy Pass-Through	\$347,885.21	\$347,885.21	\$0.00
Total General Fund	\$2,356,394.89	\$2,375,975.21	-\$19,580.32
Debt Service Fund 6248	\$ 240,872.50	\$ 240,872.50	\$0.00

2014

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
6291	\$2,215,454.48	\$2,040,689.62	\$174,764.86
EMS Levy Pass-Through	\$385,413.26	\$385,413.26	\$0
Total General Fund	\$2,600,867.74	\$2,426,102.88	\$\$174,764.86
Debt Service Fund 6248	\$ \$245,517.50	\$245,517.50	\$0

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

D. Cash and Investments

See Note 2, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased. All capital and attractive assets are issued an inventory tag and are entered into the inventory tracking system.

F. Compensated Absences

Vacation leave may be accumulated up to two times the annual accrual amount for full time personnel. Part time personnel may accrue 28.8 hours of PTO but may only carry over 12 hours from one year to the next. Accrued vacation or PTO is payable upon separation or retirement.

Full-Time Employees working a 24/48 schedule shall be granted 96 hours of floating holiday hours per calendar year (pro-rated at date of hire). Employees working a 40 hour work week are granted 16 hours of floating holiday hours per calendar year. Floating holiday hours, shall not be carried over from year to the next. Upon separation or retirement, accrued-but unused, floating holiday hours that are remaining will be paid at the employee's current rate of pay, unless terminated for gross misconduct.

Earned leave is granted to full-time employees following any calendar quarter where he/she does not utilize sick time during that quarter. Employees working a 40 hour work week earn 4 hours per quarter and employees working a 24/48 hour schedule earn 6 hours per quarter. These hours must be used by March 31 of each year or they are annulled. Earned leave that is still valid is payable upon separation or retirement.

Sick leave may be accumulated up to 1040 hours for employees working a 40 hour week or 1540 for employees working a 24/48 hour schedule. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 3, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The government's *Other Financing Sources or Uses* consists primarily of funds derived from DNR timber sales and insurance claims.

I. Risk Management

East County Fire & Rescue is a member of Clark County Fire Rescue Risk Management Group, Inc. MacIlvennie Associates, Inc. is the insurer for the Clark County Fire & Rescue Management Group. This is a joint venture with Clark County FPD #6, Clark County Fire & Rescue, Cowlitz 2 Fire & Rescue, Cowlitz County FPD #6, and the Fairgrounds Fire Facility Board. Insurance coverage within the risk management pool includes auto, buildings, personal property, and general liability. Deductibles for coverage within the risk pool are as follows: Buildings and personal property \$500, loss due to flood \$1000, earthquake 2%, automobile \$250, portable equipment \$100. Financial statements for the Clark County Fire Rescue Risk Management Group can be obtained from Clark County Fire & Rescue, in Ridgefield, Washington.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by resolution of the Fire Commissioner Board. When expenditures that meet restrictions are incurred, East County Fire & Rescue intends to use reserved resources first before using unreserved amounts.

2013 yearend balance of funds held in reserve:

Sub-Fund 6291-1	Apparatus Replacement	\$234,922.66
Sub-Fund 6291-2	Capital Facility	\$ 834.53
Sub-Fund 6291-3	Leave Accrual	\$ 74,955.90
Sub-Fund 6291-4	SAFER Grant Year 3 Payroll	\$150,656.58
Sub-Fund 6291-5	Plans Trailer Copier	\$ 2,004.86
6248	Debt Service Fund	\$ 1,697.79

2014 yearend balance of funds held in reserve:

Sub-Fund 6291-1	Apparatus Replacement	\$235,896.27
Sub-Fund 6291-2	Capital Facility	\$ 837.99
Sub-Fund 6291-3	Leave Accrual	\$ 65,080.71
Sub-Fund 6291-4	SAFER Grant Year 3 Payroll	\$ 0.00
Sub-Fund 6291-5	Plans Trailer Copier	\$ 2,013.15
6248	Debt Service Fund	\$ 1,697.79

Funds reserved for year 3 wages of SAFER grant employees were used in 2014, as intended. \$10,184.36 was transferred from the Leave Accrual fund in December for accrued leave payout to 3 employees that were reassigned to part-time positions.

Note 2 - Property Tax

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

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

East County Fire and Rescue's regular levy for the year 2013 was \$1.50 per \$1,000 on an assessed valuation of \$979,432,178 for a total regular levy of \$1,469,148

East County Fire and Rescue's regular levy for the year 2014 was \$1.4999999982 per \$1,000 on an assessed valuation of \$1,098,352,548 for a total regular levy of \$1,642,817.

In 2013 and 2014 East County Fire & Rescue also levied an amount for Emergency Transport Services. When collected, these funds are automatically transferred to City of Camas (Fund 6620) and used to defray EMS costs incurred by the District. The collection and transfer of these funds is done in accordance with a service agreement for the Emergency Medical Transport Services Program. Participants in this agreement include East County Fire and Rescue, City of Camas, and the City of Washougal.

The EMS levy rate for 2013 is \$0.3499997322 per \$1,000 on an assessed valuation of \$979,432,178 for a total EMS levy of \$342,801.

The EMS levy rate for 2014 is \$0.3499999984 per \$1,000 on an assessed valuation of \$1,098,352,548 for a total EMS levy of \$384,423.39

Note 3 – Deposits and Investments

Deposits and Investments

East County Fire & Rescue cash and investments are held by the Clark County Treasurer, in the Clark County Investment Pool, as its agent in the District’s name. All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation or the Washington Public Deposit Protection Commission, where appropriate. All of the investments, within the Clark County investment pool, including the portion that is held at the State LGIP, is either insured, guaranteed (implied or expressly), or collateralized.

The District’s interest in the investment pool on December 31, 2013 was \$1,298,927.00, which is stated at fair market value. Investments in the County’s pool are not subject to categorization as specific instruments cannot be distinguished between those participating in the pool.

The District’s interest in the investment pool on December 31, 2014 was \$1,321,243.34, which is stated at fair market value. Investments in the County’s pool are not subject to categorization as specific instruments cannot be distinguished between those participating in the pool.

Note 4 – Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of East County Fire & Rescue and summarizes the East County Fire & Rescue’s debt transactions for years ended December 31, 2013 and December 31, 2014.

The debt service requirements for general obligation bonds, including both principle and interest, are as follows:

GO Bonds		Other Debt	Total Debt
2013	\$240,872	\$ -	\$240,872
2014	\$245,518	\$ -	\$245,518
2015	\$249,800	\$ -	\$249,800
2016	\$246,972	\$ -	\$246,972
2017	\$243,620	\$ -	\$243,620
2018	\$249,888		\$249,888
2019-2023	\$1,234,655	\$ -	\$1,234,655
2024-2027	\$659,760	\$ -	\$659,760
TOTALS	\$3,371,085	\$ -	\$3,371,085

As of December 31, 2013, East County Fire & Rescue had a compensated absence liability of \$59,039.

As of December 31, 2014, East County Fire & Rescue had a compensated absence liability of \$60,386.75.

Note 5 - Pension Plans

All East County Fire & Rescue full-time and qualifying part-time employees participate in LEOFF II or PERS II retirement plans administered by the Washington State Department of Retirement Systems under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the East County Fire and Rescue's financial statements. Contributions to the systems, by both employee and employer, are based upon gross wages covered by plan benefits.

Historical trends or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Services
PO Box 48380
Olympia, WA 98504-8380

Note 6 - Other Disclosures

SAFER Grant Reserve Fund

A reserve fund was established, by Resolution 149-11152011, in 2011 for the purpose of paying SAFER Grant employee expenses during the 3rd year of the grant performance period. All of the reserve fund (\$150,682.59) was transferred to the General fund per Resolution 179-06032014. The funds were used to pay employee expenses, as intended.

Portner Donation

East County Fire & Rescue received a donation in the sum of \$22,533.05 pursuant to the Last Will and Testament of Charlotte A. Portner. The donation was deposited into the General Fund.

BNSF Donation

BNSF Railway Foundation donated \$9,947.00 for the purpose of purchasing automated external defibrillators (AEDs). Four defibrillators were purchased and placed into service.

Walmart Donation

Walmart donated \$2,000 for the purpose of installing antennas and other equipment to enhance radio communication for the ACC (Area Command Center) located at Station 91. The funds were deposited to the General Fund and the antenna placement is in progress.

**East County Fire and Rescue
Schedule of Liabilities
For the Year Ended December 31, 2014**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligations						
251.11	General Obligation Non-Voted	12/31/2014	95,000	-	95,000	-
251.11	General Obligation Non-Voted	12/31/2027	605,000	-	30,000	575,000
251.11	General Obligation Non-Voted	12/31/2027	1,795,000	-	45,000	1,750,000
259.11	Compensated Absences		56,816	-	1,511	55,305
Total General Obligations:			2,551,816	-	171,511	2,380,305
Total Liabilities:			2,551,816	-	171,511	2,380,305

**East County Fire and Rescue
Schedule of Liabilities
For the Year Ended December 31, 2013**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligations						
251.11	General Obligation Non-Voted	12/31/2024	185,000	-	90,000	95,000
251.11	General Obligation Non-Voted	12/31/2027	635,000	-	30,000	605,000
251.11	General Obligation Non-Voted	12/31/2027	1,835,000	-	40,000	1,795,000
259.11	Compensated Absences		69,073	-	12,257	56,816
Total General Obligations:			2,724,073	-	172,257	2,551,816
Total Liabilities:			2,724,073	-	172,257	2,551,816

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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