



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

East County Fire and Rescue

For the period January 1, 2024 through December 31, 2025

Published May 28, 2026

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

May 28, 2026

Board of Commissioners
East County Fire and Rescue
Camas, Washington

Report on Financial Statements

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

East County Fire and Rescue January 1, 2024 through December 31, 2025

Board of Commissioners
East County Fire and Rescue
Camas, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of East County Fire and Rescue, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 19, 2026.

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.

We noted certain other matters that we have reported to the management of the District in a separate letter dated May 19, 2026.

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*. However, we noted certain matters that we have reported to the management of the District in a separate letter dated May 19, 2026.

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

May 19, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

East County Fire and Rescue January 1, 2024 through December 31, 2025

Board of Commissioners
East County Fire and Rescue
Camas, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of East County Fire and Rescue, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the District has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of East County Fire and Rescue, and its changes in cash and investments, for the years ended December 31, 2025 and 2024, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of East County Fire and Rescue, as of December 31, 2025 and 2024, 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 8 to the financial statements, in 2024, the District adopted new accounting guidance for Compensated Absences 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 May 19, 2026 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 that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

May 19, 2026

**East County Fire and Rescue
January 1, 2024 through December 31, 2025**

FINANCIAL STATEMENTS

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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2025
Schedule of Liabilities – 2024

East County Fire and Rescue
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>101 EMS Fund</u>
Beginning Cash and Investments				
308	Beginning Cash and Investments	3,625,524	3,625,524	-
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	5,056,545	4,321,587	734,958
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	68,176	68,176	-
340	Charges for Goods and Services	15,075	15,075	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	199,747	199,747	-
Total Revenues:		<u>5,339,544</u>	<u>4,604,586</u>	<u>734,958</u>
Expenditures				
510	General Government	-	-	-
520	Public Safety	4,087,167	3,352,209	734,958
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		<u>4,087,167</u>	<u>3,352,209</u>	<u>734,958</u>
Excess (Deficiency) Revenues over Expenditures:		<u>1,252,376</u>	<u>1,252,376</u>	<u>0</u>
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	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources				
594-595	Capital Expenditures	593,595	593,595	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>593,595</u>	<u>593,595</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>658,781</u>	<u>658,781</u>	<u>0</u>
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	48	48	-
50841	Committed	1,324,211	1,324,211	-
50851	Assigned	-	-	-
50891	Unassigned	2,960,046	2,960,046	-
Total Ending Cash and Investments		<u>4,284,305</u>	<u>4,284,305</u>	<u>-</u>

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, 2024

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>101 EMS Fund</u>
Beginning Cash and Investments				
308	Beginning Cash and Investments	3,279,669	3,279,669	-
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	3,724,748	3,009,891	714,857
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	158,660	158,660	-
340	Charges for Goods and Services	20,946	20,946	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	182,473	182,473	-
Total Revenues:		<u>4,086,827</u>	<u>3,371,970</u>	<u>714,857</u>
Expenditures				
510	General Government	-	-	-
520	Public Safety	3,618,606	2,903,749	714,857
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		<u>3,618,606</u>	<u>2,903,749</u>	<u>714,857</u>
Excess (Deficiency) Revenues over Expenditures:		<u>468,221</u>	<u>468,221</u>	<u>-</u>
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	26,846	26,846	-
Total Other Increases in Fund Resources:		<u>26,846</u>	<u>26,846</u>	<u>-</u>
Other Decreases in Fund Resources				
594-595	Capital Expenditures	149,216	149,216	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>149,216</u>	<u>149,216</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>345,851</u>	<u>345,851</u>	<u>-</u>
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	12,111	12,111	-
50841	Committed	1,379,177	1,379,177	-
50851	Assigned	-	-	-
50891	Unassigned	2,234,236	2,234,236	-
Total Ending Cash and Investments		<u>3,625,524</u>	<u>3,625,524</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

Note 1 - Summary of Significant Accounting Policies

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

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund 001

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

Special Revenue Funds 101

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 3 - *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

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

F. Liabilities

See Note 4 – *Long-Term Liabilities, Compensated Absences*

G. Leases and Subscription Based Information Technology Arrangements (SBITA)

Leases are reported as liabilities if the total payments over the life of the lease is more than \$0. SBITAs are reported as liabilities if the total payments over the life of the SBITA is more than \$0.

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

H. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by Resolution. When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first. Restrictions and commitments of Ending Cash and Investments consist of:

Fund	Portion of		Combined	Description of Restriction or Commitment
	Ending Balance Restricted	Ending Balance Committed		
6291-3		53,191	53,191	Leave Accrual Payout
6291-6	48		48	Grant Management
6292		1,271,019	1,271,019	Capital Fund
<i>Totals</i>	48	1,324,211	1,324,259	

Note 2 - Budget Compliance

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

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

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

Consolidated Funds	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
Total 001 - General Fund	4,558,643.14	3,945,804.30	612,838.84	Budgeted amount not all expended
101 - EMS Fund	736,685	734,958	1,727	Actual amount collected by the Clark County Treasurer

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

The 2025 General Fund final appropriated amount excludes \$426,081 of interfund transfers.

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

Note 3 – Deposits and Investments

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

Deposits and investments by type at December 31, 2025 are as follows:

Deposit or Investment	ECFR Funds at Clark Co. Treasurer	Deposits & investments held by the District as custodian for other local governments, individuals, or private organizations.	Combined
6291 General Fund - LGIP	2,960,046		2,960,046
6291-3 Leave Accrual - LGIP	53,191		53,191
6291-6 Grants Management - LGIP	48		48
6292 Capital Fund - LGIP	1,271,019		1,271,019
<i>Totals</i>	4,284,305	0	4,284,305

Investments in the Clark County Investment Pool

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

The district’s interest in the investment pool on December 31, 2025 was \$4,284,305.14 which is stated at fair market value. Investments in the County’s pool are not subject to categorization, as specific instruments cannot be distinguished between those participating in the pool.

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

Custodial Credit Risk

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

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

Note 4 – Long-Term Liabilities *(formerly Long-Term Debt)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district’s debt transactions for year ended December 31, 2025.

Compensated Absences

During the year ended December 31, 2025, the following changes occurred in compensated absences:

ID. No.	Description	Beginning Balance 01/01/2025	Additions	Reductions	Ending Balance 12/31/2025
	Compensated Absences	274,256	62,322		336,578

Note 5 – Pension Plans

A. State Sponsored Pension Plans

Substantially all East County Fire and Rescue’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans LEOFF II, PERS II, and PERS III.

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

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

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

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

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

At June 30, 2025, the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	4,630.86	0.00084000%	1,178,996,000	9,904	
PERS 2/3	11,530.59	0.00108600%	-3816176000		(41,444)
LEOFF 2	83,755.86	0.03072100%	-1,937,517,000		(595,225)
VFFRPF	600.00	0.460000%	(165,685)		(165,685)
		<i>Totals</i>		\$ 9,904	\$ (802,353)

LEOFF Plan 2

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

Note 6 - Property Tax

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

Property Tax Calendar	
1-Jan	Tax is levied and becomes an enforceable lien against the properties.
14-Feb	Tax bills are mailed
30-Apr	First of two equal installment payments are due
31-May	Assessed value of property established for next year's levy at 100 percent of market value.
31-Oct	Second installment is due

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

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.

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2025

The district's regular levy for the year 2025 was \$ 1.5000000000 per \$1,000 on an assessed valuation of \$2,889,955,530 for a total regular levy of \$ 4,334,933.30.

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

East County Fire and Rescue's EMS levy for the year 2025 was \$ 0.2546005369 per \$1,000 on an assessed valuation of \$ 2,893,433,568 for a total EMS levy of \$ 736,669.74.

Note 7 – Risk Management

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

Note 1 - Summary of Significant Accounting Policies

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

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund 001

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

Special Revenue Funds 101

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 3 - *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

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

The estimated Compensated Absence value as of December 31, 2024 was \$274,256.

F. Restricted and Committed Portion of Ending Cash and Investments

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined
6291-3		51,853	51,853
6291-6	12,111		12,111
6292		1,327,324	1,327,324
<i>Totals</i>	12,111	1,379,177	1,391,288

Note 2 - Budget Compliance

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

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
General Fund	4,524,273	3,052,962	1,471,311
Total 001 - General Fund	4,524,273	3,052,962	1,471,311
101 - EMS Fund	721238	714,857	6381.11

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

The 2024 General Fund final appropriated amount excludes \$1,266,511 of interfund transfers.

Resolution #325-09052023 was approved to combine the balance of the 6291-4 Equipment Reserve Fund, 6291-1 Apparatus Replacement Fund and 6291-2 Capital Facilities Funds into the 6292 Capital Project Fund.

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

Note 3 – Deposits and Investments

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

Deposits and investments by type at December 31, 2024 are as follows:

Deposit or Investment	ECFR Funds at Clark Co. Treasurer	Deposits & investments held by the District as custodian for other local governments, individuals, or private organizations.	Combined
6291 General Fund - LGIP	2,234,236		2,234,236
6291-3 Leave Accrual - LGIP	51,853		51,853
6291-6 Grants Management - LGIP	12,111		12,111
6292 Capital Fund - LGIP	1,327,323		1,327,323
<i>Totals</i>	3,625,523	0	3,625,523

Investments in the Clark County Investment Pool

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

The district’s interest in the investment pool on December 31, 2024 was \$3,625,523.67 which is stated at fair market value. Investments in the County’s pool are not subject to categorization, as specific instruments cannot be distinguished between those participating in the pool.

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

Custodial Credit Risk

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

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

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

Note 4 – Long-Term Liabilities *(formerly Long-Term Debt)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district’s debt transactions for year ended December 31, 2024.

Compensated Absences

During the year ended December 31, 2024, the following changes occurred in compensated absences:

ID. No.	Description	Beginning Balance 01/01/2024	Additions	Reductions	Ending Balance 12/31/2024
	Compensated Absences	93,102	181,154		274,256

Note 5 – Pension Plans

A. State Sponsored Pension Plans

Substantially all East County Fire and Rescue’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans LEOFF II, PERS II, and PERS III.

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

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

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

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

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

At June 30, 2024, the district’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

Plan	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	5016.15	0.000838%	1,776,838,000	14,890	
PERS 2/3	10681.86	0.001085%	(3,296,573,000)		(35,768)
LEOFF 2	70982.88	0.028972%	(1,872,745,000)		(542,572)
VFFRPF	360.00	0.210000%	(24,235)		(24,235)
		<i>Totals</i>		\$ 14,890	\$ (602,575)

LEOFF Plan 2

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

Note 6 - Property Tax

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

Property Tax Calendar	
1-Jan	Tax is levied and becomes an enforceable lien against the properties.
14-Feb	Tax bills are mailed
30-Apr	First of two equal installment payments are due
31-May	Assessed value of property established for next year's levy at 100 percent of market value.
31-Oct	Second installment is due

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

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.

East County Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2024

The district's regular levy for the year 2024 was \$ 1.0762783279 per \$1,000 on an assessed valuation of \$2,800,336,922 for a total regular levy of \$ 3,013,941.94.

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

East County Fire and Rescue's EMS levy for the year 2024 was \$ 0.2572336170 per \$1,000 on an assessed valuation of \$ 2,803,586,710 for a total EMS levy of \$ 721,176.75.

Note 7 – Risk Management

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

Note 8 – Accounting Changes and Error Corrections

During the fiscal year 2024, East County Fire and Rescue implemented Compensated Absences guidance as required by the BARS Manual. The effect of that accounting standard is shown in the Compensated Absences table in Note 4.

**East County Fire and Rescue
Schedule of Liabilities
For the Year Ended December 31, 2025**

ID. No.	Debt ID Title	Description	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences	Compensated Absences	274,256	62,322	-	336,578
264.30	Pension Liabilities	Pension Liabilities	14,890	-	4,986	9,904
Total Revenue and Other (non G.O.) Debt/Liabilities:			289,146	62,322	4,986	346,482
Total Liabilities:			289,146	62,322	4,986	346,482

**East County Fire and Rescue
Schedule of Liabilities
For the Year Ended December 31, 2024**

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences		93,102	181,154	-	274,256
264.30	Pension Liabilities	Pension Liabilities		30,041	-	15,151	14,890
		Total Revenue and Other (non G.O.) Debt/Liabilities:		123,143	181,154	15,151	289,146
		Total Liabilities:		123,143	181,154	15,151	289,146

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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