

Pacific County Fire Protection District 1  
Special Commissioner's Meeting  
November 14, 2019 – 11:30 a.m.  
Station 21-1, Ocean Park



## AGENDA

Establish Quorum/Call Meeting To Order/Pledge of Allegiance/Approval of Agenda

WA State Auditor's Office Exit Interview Workshop

New Business:

1. Other District Business

Adjourn Meeting by Chairman



# Office of the Washington State Auditor

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## Pat McCarthy

### **Exit Conference: Pacific County Fire Protection District No. 1** **November 14, 2019**

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

#### **Audit Reports**

We will publish the following reports:

- Accountability audit for January 1, 2016 through December 31, 2018
- Financial statement audit for January 1, 2016 through December 31, 2018

#### **Audit Highlights**

We would like to thank Jamie Meling for all of her assistance, before and during the audit. Jamie provided answers to questions and various documents, which allowed us to complete a lot of audit work prior to arriving on site and therefore saving the District travel costs for us to be on site for longer. We appreciate the District's commitment to accountability.

#### **Recommendations not included in the Audit Reports**

##### **Exit Items**

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

#### **Communications required by audit standards**

In relation to our financial statement audit report, we would like to bring to your attention:

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.

## **Finalizing Your Audit**

### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

### **Management Representation Letter**

We have included a copy of representations requested of management.

### **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$12,000, plus travel, and actual audit costs will approximate that amount.

### **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in 2022 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement

The estimated cost for the next audit based on current rates is \$14,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

## **Working Together to Improve Government**

### **Audit Survey**

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **The Center for Government Innovation**

The Center is a resource for local governments that want to solve problems, innovate, and improve the value of their services to citizens. The Center is available by phone, online, or in person to offer assistance, programs, and tools – at no additional charge. You can contact the Center for more information at [center@sao.wa.gov](mailto:center@sao.wa.gov).

**Questions?**

Please contact us with any questions about information in this document or related audit reports.

**Kelly Collins, CPA, Director of Local Audit, (360) 902-0091, [Kelly.Collins@sao.wa.gov](mailto:Kelly.Collins@sao.wa.gov)**

**Tina Watkins, CPA, Assistant Director of Local Audit, (360) 260-6408 Ext. 106 [Tina.Watkins@sao.wa.gov](mailto:Tina.Watkins@sao.wa.gov)**

**Bryson Bristol, Audit Manager, (360) 725-5562, [Bryson.Bristol@sao.wa.gov](mailto:Bryson.Bristol@sao.wa.gov)**

**Katie Gravatt, Assistant Audit Manager, (360) 725-5336, [Katie.Gravatt@sao.wa.gov](mailto:Katie.Gravatt@sao.wa.gov)**

**Morgan Hendricks, Audit Lead, (360) 725-5377, [Morgan.Hendricks@sao.wa.gov](mailto:Morgan.Hendricks@sao.wa.gov)**

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

# **Accountability Audit Report**

## **Pacific County Fire Protection District No. 1**

**For the period January 1, 2016 through December 31, 2018**

**Published (Inserted by OS)**  
**Report No. 1025040**





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

Issue Date – (Inserted by OS)

Board of Commissioners  
Pacific County Fire Protection District No. 1  
Ocean Park, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

### About the audit

This report contains the results of our independent accountability audit of Pacific County Fire Protection District No. 1 from January 1, 2016 through December 31, 2018.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the years ended December 31, 2018, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Procurement –public works and purchases
- Payroll – gross wages and leave balances
- Accounts payable – fuel cards
- Tracking and monitoring of theft sensitive assets such as computers, tools and pharmaceutical inventory
- Self-insurance for unemployment compensation
- Financial condition and fiscal sustainability
- Open public meetings – documentation of minutes, special sessions and executive sessions

## RELATED REPORTS

### Financial

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DISTRICT

Formed in 1940, Pacific County Fire Protection District No. 1 provides fire prevention and suppression services, emergency medical aid and protection of life and property to residents living within the service boundaries of the unincorporated area on the Long Beach Peninsula. In June 1998, the District began providing ambulance services.

An elected, three-member Board of Commissioners governs the District. The Board appoints a Fire Chief to oversee the District's daily operations as well as its 21 employees and 35 volunteers. It contracts for billing services. For the years under audit, the District operated on annual budgets of approximately \$2.8 million. The budgets for 2016, 2017 and 2018 were \$2,720,865, \$2,783,000 and \$2,921,112, respectively.

Contact information related to this report	
Address:	Pacific County Fire Protection District No. 1 P.O. Box 890 Ocean Park, WA 98640
Contact:	██████████ District Secretary
Telephone:	360-665-4451
Website:	pcfd1.org

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Pacific County Fire Protection District No. 1 at <http://portal.sao.wa.gov/ReportSearch>.

## 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.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>

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Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report Pacific County Fire Protection District No. 1

For the period January 1, 2016 through December 31, 2018

Published (Inserted by OS)  
Report No. 1025100





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

Issue Date – (Inserted by OS)

Board of Commissioners  
Pacific County Fire Protection District No. 1  
Ocean Park, Washington

**Report on Financial Statements**

Please find attached our report on Pacific County Fire Protection District No. 1's financial statements.

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

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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**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**

**Pacific County Fire Protection District No. 1  
January 1, 2016 through December 31, 2018**

Board of Commissioners  
Pacific County Fire Protection District No. 1  
Ocean Park, 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 Pacific County Fire Protection District No. 1, as of and for the years ended December 31, 2018, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 14, 2019.

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 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 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.



Pat McCarthy

State Auditor

Olympia, WA

November 14, 2019

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

### **Pacific County Fire Protection District No. 1 January 1, 2016 through December 31, 2018**

Board of Commissioners  
Pacific County Fire Protection District No. 1  
Ocean Park, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Pacific County Fire Protection District No. 1, for the years ended December 31, 2018, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

#### **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 opinions 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 , Pacific County Fire Protection District No. 1 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 cash and investments of Pacific County Fire Protection District No. 1, and its changes in cash and investments, for the years ended December 31, 2018, 2017 and 2016, 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 Pacific County Fire Protection District No. 1, as of December 31, 2018, 2017 and 2016, 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 conducted for the purpose of forming opinions on the financial statements taken as a whole. 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 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 14, 2019 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.



Pat McCarthy

State Auditor

Olympia, WA

November 14, 2019

## FINANCIAL SECTION

### **Pacific County Fire Protection District No. 1 January 1, 2016 through December 31, 2018**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2018  
Fund Resources and Uses Arising from Cash Transactions – 2017  
Fund Resources and Uses Arising from Cash Transactions – 2016  
Notes to Financial Statements – 2018  
Notes to Financial Statements – 2017  
Notes to Financial Statements – 2016

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

Schedule of Liabilities – 2018  
Schedule of Liabilities – 2017  
Schedule of Liabilities – 2016



**Pacific County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2018**

**Beginning Cash and Investments**

30810	Reserved	
30880	Unreserved	1,635,852
388 / 588	Prior Period Adjustments, Net	-

**Revenues**

310	Taxes	2,243,149
320	Licenses and Permits	1,700
330	Intergovernmental Revenues	13,809
340	Charges for Goods and Services	803,307
350	Fines and Penalties	-
360	Miscellaneous Revenues	41,023
Total Revenues:		3,102,987

**Expenditures**

510	General Government	-
520	Public Safety	2,849,711
Total Expenditures:		2,849,711
Excess (Deficiency) Revenues over Expenditures:		253,276

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	12
381, 395, 398	Other Resources	1,250
Total Other Increases in Fund Resources:		1,262

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	66,786
591-593, 599	Debt Service	57,938
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
Total Other Decreases in Fund Resources:		124,723

**Increase (Decrease) in Cash and Investments: 129,815**

**Ending Cash and Investments**

5081000	Reserved	-
5088000	Unreserved	1,765,667
Total Ending Cash and Investments		1,765,667

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

**Pacific County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

**Beginning Cash and Investments**

30810	Reserved	
30880	Unreserved	1,701,764
388 / 588	Prior Period Adjustments, Net	

**Revenues**

310	Taxes	2,209,699
320	Licenses and Permits	2,450
330	Intergovernmental Revenues	14,236
340	Charges for Goods and Services	754,810
350	Fines and Penalties	
360	Miscellaneous Revenues	50,919
Total Revenues:		3,032,114

**Expenditures**

510	General Government	
520	Public Safety	2,800,120
Total Expenditures:		2,800,120
Excess (Deficiency) Revenues over Expenditures:		231,994

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	
397	Transfers-In	
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	417
381, 395, 398	Other Resources	1,450
Total Other Increases in Fund Resources:		1,867

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	240,548
591-593, 599	Debt Service	59,225
597	Transfers-Out	
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	
Total Other Decreases in Fund Resources:		299,773

**Increase (Decrease) in Cash and Investments:** **(65,912)**

**Ending Cash and Investments**

5081000	Reserved	-
5088000	Unreserved	1,635,852
Total Ending Cash and Investments		1,635,852

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

**Pacific County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

**Beginning Cash and Investments**

30810	Reserved	
30880	Unreserved	1,537,010
388 / 588	Prior Period Adjustments, Net	-

**Revenues**

310	Taxes	2,167,075
320	Licenses and Permits	1,400
330	Intergovernmental Revenues	8,506
340	Charges for Goods and Services	701,024
350	Fines and Penalties	-
360	Miscellaneous Revenues	61,606
Total Revenues:		<u>2,939,612</u>

**Expenditures**

510	General Government	-
520	Public Safety	2,657,384
Total Expenditures:		<u>2,657,384</u>
Excess (Deficiency) Revenues over Expenditures:		282,227

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	200
381, 395, 398	Other Resources	10,350
Total Other Increases in Fund Resources:		<u>10,550</u>

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	57,887
591-593, 599	Debt Service	60,513
597	Transfers-Out	
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	9,624
Total Other Decreases in Fund Resources:		<u>128,024</u>

**Increase (Decrease) in Cash and Investments:** 164,753

**Ending Cash and Investments**

5081000	Reserved	-
5088000	Unreserved	1,701,764
Total Ending Cash and Investments		<u>1,701,764</u>

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

## **Pacific County Fire Protection District No. 1**

**For the Year Ended December 31, 2018**

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

The Pacific County Fire Protection District No. 1 was incorporated on October 7, 1940 and operates under the laws of the state of Washington applicable to a Fire District. The Pacific County Fire Protection District No. 1 is a special purpose local government and provides fire suppression, public education for fire prevention and emergency service to the general public.

The Pacific County Fire Protection District No. 1 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 District 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. The following fund types are used:

##### **GOVERNMENTAL FUND TYPES:**

##### **General Fund**

This fund is the primary operating fund of the District. 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.

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

### C. Budgets

The Pacific County Fire Protection District No. 1 adopts annual appropriated budgets for 1 general fund. This budget is 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	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$2,921,112.00	\$2,974,433.92	(\$53,321.92)
Total Funds	\$2,921,112.00	\$2,974,433.92	(\$53,321.92)

### D. Cash and Investments

See Note 3, *Deposits and Investments*.

### E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

### F. Compensated Absences

#### 1. IAFF Union Contract Employees:

Vacation pay may be accumulated up to 336 hours. Upon separation or retirement, employees do receive payment for unused vacation, not to exceed 320 hours.

Sick leave may accumulate up to 1440 hours. Employees may cash out sick leave over 1000 hours at 25% of the employee's base wage. Upon separation or retirement, employees can opt to donate unused sick leave to the Sick Pool as long as the Sick Pool balance does not exceed 1200 hours.

Compensatory time may accumulate to 480 hours. Employees can elect to accrue compensatory time instead of overtime at a rate of 1 hour overtime equal to 1 ½ hours of compensatory time. Compensatory time must be utilized within one year of accrual or it will be cashed out at the rate for which it was earned.

#### 2. Regular Full-Time Employees:

Vacation pay may be accumulated up to 320 hours and is payable upon separation or retirement.

Sick leave may accumulate to 960 hours. Upon separation or retirement, employees do not receive payment for unused sick leave.

Compensatory time may accumulate to 240 hours. Non-exempt employees can elect to accrue compensatory time instead of overtime at a rate of 1 hour overtime equal to 1 ½ hours of

compensatory time. Upon separation or retirement, employees do receive payment for unused compensatory time.

3. District Secretary:

Vacation pay may be accumulated up to 320 hours and is payable upon separation or retirement.

Sick leave may accumulate to 960 hours. Upon separation or retirement, employees do not receive payment for unused sick leave.

Compensatory time may accumulate to 100 hours. Employee cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Employee has the option of cashing out up to 60 hours of compensatory time. Upon separation or retirement, employee does receive payment for unused compensatory time.

4. Assistant Chief of Training and Operations, Assistant Chief of Administration:

Vacation pay may accumulate up to 336 hours. Upon separation or retirement, employees do receive payment for unused vacation.

Sick leave may accumulate to 1200 hours. Upon separation or retirement, employees do receive payment for any 25% of unused sick leave.

Compensatory time may accumulate to 80 hours. Employees cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Employees have the option of cashing out up to 60 hours of compensatory time upon request in November of each year. Upon separation or retirement, employees do receive payment for unused compensatory time.

5. Fire Chief:

Vacation pay may accumulate up to 400 hours. Upon separation or retirement, employee does receive payment for unused vacation.

Sick leave may accumulate to 1200 hours. Upon separation or retirement, employee does receive payment for any 25% of unused sick leave.

Compensatory time may accumulate to 480 hours. Employee cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Upon separation or retirement, employee does receive payment for unused compensatory time.

6. Leave Liability:

The District's total estimated liability for vacation, sick leave and compensatory leave separation benefits on December 31, 2018 was \$208,016.13.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

**Note 2 - Property Tax**

The Pacific 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 the Pacific County Treasurer. 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 2018 was \$1.393857 per \$1,000 on an assessed valuation of \$1,210,622,082 for a total regular levy of \$1,687,434.

The District's EMS levy for the year 2017 was \$0.464619 per \$1,000 on an assessed valuation of \$1,210,648,682 for a total levy of \$562,490.

### **Note 3 – Deposits and Investments**

#### **Deposits and Investments**

It is the Pacific County Fire Protection District No. 1's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Pacific County Treasurer or its agent in the government's name.

Investments are reported at original cost. Investments by type at December 31, 2018 are as follows:

<u>Type of Investment</u>	<u>Pacific County FPD #1 own investments</u>	<u>Investments held by Pacific County Treasurer as an agent for other local governments, individuals or private organizations.</u>	<u>Total</u>
<u>L.G.I.P.</u>	<u>\$0</u>	<u>\$1,773,771.86</u>	<u>\$1,773,771.86</u>

### **Note 4 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District's debt transactions for year ended December 31, 2018.

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

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
------------------	-----------------	--------------

2019	\$51,500.00	\$5,150.00	\$56,650.00
2020	\$51,500.00	\$3,862.50	\$55,362.50
2021	\$51,500.00	\$2,575.00	\$54,075.00
2022	\$51,500.00	\$1,287.50	\$52,787.50
TOTALS	<u>\$206,000.00</u>	<u>\$12,875.00</u>	<u>\$218,875.00</u>

## **Note 5 - Pension Plans**

### **A. State Sponsored Pension Plans**

Substantially all Pacific County Fire Protection District No. 1's full-time and qualifying part-time employees participate in LEOFF2 or PERS2 administered by the Washington State Department of Retirement Systems, 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 statement and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

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).

At June 30, 2018, the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
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PERS 1 UAAL	0.001277%	\$57,031.25
PERS 2/3	0.001648%	\$28,138.13
LEOFF 2	0.052249%	(\$1,060,768.60)
VFFRPF	0.15%	(\$77,370.42)

## LEOFF Plan 2

The District also participates in the LEOFF 2 plan. 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 recommendation 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 - Other Disclosures

### 1. Transactions with Related Parties

Commissioner Tom Downer is the owner of Jack's Country Store. The District purchased \$2,785.70 in supplies in 2018.

### 2. Contracted Ambulance Billing Services

Pacific County Fire Protection District No. 1 contracts with Systems Design Northwest, Inc., Medical Billing Systems and service located in Silverdale, Washington for the billing, collection and accounting of all ambulance transport revenue. Systems Design provides very detailed monthly reports for the District. Systems Design mails deposits slips and checks to the District, who then deposits the checks and sends notification to the Pacific County Treasurer. The EFTs received are deposited by the District to the County Treasurer. The monthly reports show the deposits for that period. The monthly detail reports track payments made to each account. The Assistant Chief of Administration prepares the individual billings of ambulance transports which are forwarded to Systems Design. The District Secretary reviews the monthly reports received from Systems Design. This information has previously been disclosed during our Audit with the State Auditor's office.

### 3. Use of EMS Levy Funds for Resident Transport Out of Pocket Expenses

In March of 2008, the Board of Commissioners of Pacific County Fire Protection District No. 1 passed a resolution authorizing the use of funds from the Emergency Medical Services (EMS) Levy as payment for out of pocket expenses of ambulance transports fees for residents and taxpayers of the District. The District Secretary verifies the resident and taxpayer status of each patient billed for ambulance transport services by the District. This information is forwarded to Systems Design with the individual billing details. Systems Design collects all applicable insurance payments and insurance adjustments and then forwards requests for Levy write offs to the District Secretary. The District Secretary checks each request before acknowledging that write offs can be approved. The Assistant Chief of Administration then receives Levy write off requests for final approval. Approvals are sent back to Systems Design where they record the Levy write offs in a monthly report submitted to the District. Resolutions are passed quarterly by the Board of Commissioners authorizing the write-off of out-of-pocket payments of ambulance transport fees for residents and taxpayers.

## **Pacific County Fire Protection District No. 1**

**For the Year Ended December 31, 2017**

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

The Pacific County Fire Protection District No. 1 was incorporated on October 7, 1940 and operates under the laws of the state of Washington applicable to a Fire District. The Pacific County Fire Protection District No. 1 is a special purpose local government and provides fire suppression, public education for fire prevention and emergency service to the general public.

The Pacific County Fire Protection District No. 1 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 District 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. The following fund types are used:

##### **GOVERNMENTAL FUND TYPES:**

##### **General Fund**

This fund is the primary operating fund of the District. 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.

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

### C. Budgets

The Pacific County Fire Protection District No. 1 adopts annual appropriated budgets for 1 general fund. This budget is 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	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$2,783,000.00	\$3,099,892.77	(\$316,892.77)
Total Funds	\$2,783,000.00	\$3,099,892.77	(\$316,892.77)

### D. Cash and Investments

See Note 3, *Deposits and Investments*.

### E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

### F. Compensated Absences

#### 1. IAFF Union Contract Employees:

Vacation pay may be accumulated up to 336 hours. Upon separation or retirement, employees do receive payment for unused vacation, not to exceed 320 hours.

Sick leave may accumulate up to 1440 hours. Employees may cash out sick leave over 1000 hours at 25% of the employee's base wage. Upon separation or retirement, employees can opt to donate unused sick leave to the Sick Pool as long as the Sick Pool balance does not exceed 1200 hours.

Compensatory time may accumulate to 480 hours. Employees can elect to accrue compensatory time instead of overtime at a rate of 1 hour overtime equal to 1 ½ hours of compensatory time. Compensatory time must be utilized within one year of accrual or it will be cashed out at the rate for which it was earned.

#### 2. Regular Full-Time Employees:

Vacation pay may be accumulated up to 320 hours and is payable upon separation or retirement.

Sick leave may accumulate to 960 hours. Upon separation or retirement, employees do not receive payment for unused sick leave.

Compensatory time may accumulate to 240 hours. Non-exempt employees can elect to accrue compensatory time instead of overtime at a rate of 1 hour overtime equal to 1 ½ hours of

compensatory time. Upon separation or retirement, employees do receive payment for unused compensatory time.

3. District Secretary:

Vacation pay may be accumulated up to 320 hours and is payable upon separation or retirement.

Sick leave may accumulate to 960 hours. Upon separation or retirement, employees do not receive payment for unused sick leave.

Compensatory time may accumulate to 100 hours. Employee cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Employee has the option of cashing out up to 60 hours of compensatory time. Upon separation or retirement, employee does receive payment for unused compensatory time.

4. Assistant Chief of Training and Operations, Assistant Chief of Administration:

Vacation pay may accumulate up to 336 hours. Upon separation or retirement, employees do receive payment for unused vacation.

Sick leave may accumulate to 1200 hours. Upon separation or retirement, employees do receive payment for any 25% of unused sick leave.

Compensatory time may accumulate to 80 hours. Employees cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Employees have the option of cashing out up to 60 hours of compensatory time upon request in November of each year. Upon separation or retirement, employees do receive payment for unused compensatory time.

5. Fire Chief:

Vacation pay may accumulate up to 400 hours. Upon separation or retirement, employee does receive payment for unused vacation.

Sick leave may accumulate to 1200 hours. Upon separation or retirement, employee does receive payment for any 25% of unused sick leave.

Compensatory time may accumulate to 480 hours. Employee cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Upon separation or retirement, employee does receive payment for unused compensatory time.

6. Leave Liability:

The District's total estimated liability for vacation, sick leave and compensatory leave separation benefits on December 31, 2017 was \$237,479.03.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

**Note 2 - Property Tax**

The Pacific 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 the Pacific County Treasurer. 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 2017 was \$1.480970 per \$1,000 on an assessed valuation of \$1,119,230,352 for a total regular levy of \$1,657,547.

The District's EMS levy for the year 2017 was \$0.493656 per \$1,000 on an assessed valuation of \$1,119,256,152 for a total levy of \$552,528.

### **Note 3 – Deposits and Investments**

#### **Deposits and Investments**

It is the Pacific County Fire Protection District No. 1's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Pacific County Treasurer or its agent in the government's name.

Investments are reported at original cost. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	<u>Pacific County FPD #1 own investments</u>	<u>Investments held by Pacific County Treasurer as an agent for other local governments, individuals or private organizations.</u>	<u>Total</u>
<u>L.G.I.P.</u>	<u>\$0</u>	<u>\$1,669,439.81</u>	<u>\$1,669,439.81</u>

### **Note 4 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District's debt transactions for year ended December 31, 2017.

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

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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2018	\$51,500.00	\$6,437.50	\$57,937.50
2019	\$51,500.00	\$5,150.00	\$56,650.00
2020	\$51,500.00	\$3,862.50	\$55,362.50
2021	\$51,500.00	\$2,575.00	\$54,075.00
2022	\$51,500.00	\$1,287.50	\$52,787.50
TOTALS	<u>\$257,500.00</u>	<u>\$19,312.50</u>	<u>\$276,812.50</u>

## **Note 5 - Pension Plans**

### **A. State Sponsored Pension Plans**

Substantially all Pacific County Fire Protection District No. 1's full-time and qualifying part-time employees participate in LEOFF2 or PERS2 administered by the Washington State Department of Retirement Systems, 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 statement and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

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).

At June 30, 2015, the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
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PERS 1 UAAL	0.001335%	\$63,346.79
PERS 2/3	0.001718%	\$59,692.29
LEOFF 2	0.050407%	(\$699,485.84)
VFFRPF	0.13%	(\$46,804.04)

## LEOFF Plan 2

The District also participates in the LEOFF 2 plan. 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 recommendation 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 - Other Disclosures

### 1. Transactions with Related Parties

Commissioner Tom Downer is the owner of Jack's Country Store. The District purchased \$2,266.17 in supplies in 2017.

### 2. Contracted Ambulance Billing Services

Pacific County Fire Protection District No. 1 contracts with Systems Design Northwest, Inc., Medical Billing Systems and service located in Silverdale, Washington for the billing, collection and accounting of all ambulance transport revenue. Systems Design provides very detailed monthly reports for the District. Systems Design mails deposits slips and checks to the District, who then deposits the checks and sends notification to the Pacific County Treasurer. The EFTs received are deposited by the District to the County Treasurer. The monthly reports show the deposits for that period. The monthly detail reports track payments made to each account. The Assistant Chief of Administration prepares the individual billings of ambulance transports which are forwarded to Systems Design. The District Secretary reviews the monthly reports received from Systems Design. This information has previously been disclosed during our Audit with the State Auditor's office.

### 3. Use of EMS Levy Funds for Resident Transport Out of Pocket Expenses

In March of 2008, the Board of Commissioners of Pacific County Fire Protection District No. 1 passed a resolution authorizing the use of funds from the Emergency Medical Services (EMS) Levy as payment for out of pocket expenses of ambulance transports fees for residents and taxpayers of the District. The District Secretary verifies the resident and taxpayer status of each patient billed for ambulance transport services by the District. This information is forwarded to Systems Design with the individual billing details. Systems Design collects all applicable insurance payments and insurance adjustments and then forwards requests for Levy write offs to the District Secretary. The District Secretary checks each request before acknowledging that write offs can be approved. The Assistant Chief of Administration then receives Levy write off requests for final approval. Approvals are sent back to Systems Design where they record the Levy write offs in a monthly report submitted to the District. Resolutions are passed quarterly by the Board of Commissioners authorizing the write-off of out-of-pocket payments of ambulance transport fees for residents and taxpayers.

## **Pacific County Fire Protection District No. 1**

**For the Year Ended December 31, 2016**

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

The Pacific County Fire Protection District No. 1 was incorporated on October 7, 1940 and operates under the laws of the state of Washington applicable to a Fire District. The Pacific County Fire Protection District No. 1 is a special purpose local government and provides fire suppression, public education for fire prevention and emergency service to the general public.

The Pacific County Fire Protection District No. 1 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 District 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. The following fund types are used:

##### **GOVERNMENTAL FUND TYPES:**

##### **General Fund**

This fund is the primary operating fund of the District. 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.

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



### C. Budgets

The Pacific County Fire Protection District No. 1 adopts annual appropriated budgets for 1 general fund. This budget is 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	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$2,720,865.00	\$2,785,407.57	(\$64,542.57)
Total Funds	\$2,720,865.00	\$2,785,407.57	(\$64,542.57)

### D. Cash and Investments

See Note 3, *Deposits and Investments*.

### E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

### F. Compensated Absences

#### 1. IAFF Union Contract Employees:

Vacation pay may be accumulated up to 336 hours. Upon separation or retirement, employees do receive payment for unused vacation, not to exceed 320 hours.

Sick leave may accumulate up to 1440 hours. Employees may cash out sick leave over 1000 hours at 25% of the employee's base wage. Upon separation or retirement, employees can opt to donate unused sick leave to the Sick Pool as long as the Sick Pool balance does not exceed 1200 hours.

Compensatory time may accumulate to 480 hours. Employees can elect to accrue compensatory time instead of overtime at a rate of 1 hour overtime equal to 1 ½ hours of compensatory time. Compensatory time must be utilized within one year of accrual or it will be cashed out at the rate for which it was earned.

#### 2. Regular Full-Time Employees:

Vacation pay may be accumulated up to 320 hours and is payable upon separation or retirement.

Sick leave may accumulate to 960 hours. Upon separation or retirement, employees do not receive payment for unused sick leave.

Compensatory time may accumulate to 240 hours. Non-exempt employees can elect to accrue compensatory time instead of overtime at a rate of 1 hour overtime equal to 1 ½ hours of

compensatory time. Upon separation or retirement, employees do receive payment for unused compensatory time.

3. District Secretary:

Vacation pay may be accumulated up to 320 hours and is payable upon separation or retirement.

Sick leave may accumulate to 960 hours. Upon separation or retirement, employees do not receive payment for unused sick leave.

Compensatory time may accumulate to 100 hours. Employee cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Employee has the option of cashing out up to 60 hours of compensatory time. Upon separation or retirement, employee does receive payment for unused compensatory time.

4. Assistant Chief of Training and Operations, Assistant Chief of Administration, and Division Chief of EMS:

Vacation pay may accumulate up to 336 hours. Upon separation or retirement, employees do receive payment for unused vacation.

Sick leave may accumulate to 1200 hours. Upon separation or retirement, employees do receive payment for any 25% of unused sick leave.

Compensatory time may accumulate to 80 hours. Employees cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Employees have the option of cashing out up to 60 hours of compensatory time upon request in November of each year. Upon separation or retirement, employees do receive payment for unused compensatory time.

5. Fire Chief:

Vacation pay may accumulate up to 400 hours. Upon separation or retirement, employee does receive payment for unused vacation.

Sick leave may accumulate to 1200 hours. Upon separation or retirement, employee does receive payment for any 25% of unused sick leave.

Compensatory time may accumulate to 480 hours. Employee cannot earn overtime but can elect to accrue compensatory time for hours worked over 40 hours per week at a rate of 1 hour worked equals 1 hour of compensatory time. Upon separation or retirement, employee does receive payment for unused compensatory time.

6. Leave Liability:

The District's total estimated liability for vacation, sick leave and compensatory leave separation benefits on December 31, 2016 was \$207,320.94.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

**Note 2 - Property Tax**

The Pacific 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 the Pacific County Treasurer. 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 2016 was \$1.500000 per \$1,000 on an assessed valuation of \$1,087,539,028 for a total regular levy of \$1,631,309.

The District's EMS levy for the year 2016 was \$0.500000 per \$1,000 on an assessed valuation of \$1,087,563,528 for a total levy of \$543,782.

### **Note 3 – Deposits and Investments**

#### **Deposits and Investments**

It is the Pacific County Fire Protection District No. 1's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Pacific County Treasurer or its agent in the government's name.

Investments are reported at original cost. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	<u>Pacific County FPD #1 own investments</u>	<u>Investments held by Pacific County Treasurer as an agent for other local governments, individuals or private organizations.</u>	<u>Total</u>
<u>L.G.I.P.</u>	<u>\$0</u>	<u>\$1,714,269.63</u>	<u>\$1,714,269.63</u>

### **Note 4 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District's debt transactions for year ended December 31, 2016.

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

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
------------------	-----------------	--------------

2017	\$51,500.00	\$7,725.00	\$59,225.00
2018	\$51,500.00	\$6,437.50	\$57,937.50
2019	\$51,500.00	\$5,150.00	\$56,650.00
2020	\$51,500.00	\$3,862.50	\$55,362.50
2021	\$51,500.00	\$2,575.00	\$54,075.00
2022	\$51,500.00	\$1,287.50	\$52,787.50
TOTALS	<u>\$309,000.00</u>	<u>\$27,037.50</u>	<u>\$336,037.50</u>

## **Note 5 - Pension Plans**

### **A. State Sponsored Pension Plans**

Substantially all Pacific County Fire Protection District No. 1's full-time and qualifying part-time employees participate in LEOFF2 or PERS2 administered by the Washington State Department of Retirement Systems, 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 statement and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

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).

At June 30, 2015, the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability
--	--------------	-----------

		(Asset)
PERS 1 UAAL	0.001335%	\$71,695.79
PERS 2/3	0.001710%	\$86,097.15
LEOFF 2	0.051515%	(\$299,626.69)
VFFRPF	0.05%	(\$9,036.12)

## LEOFF Plan 2

The District also participates in the LEOFF 2 plan. 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 recommendation 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 - Other Disclosures

### 1. Transactions with Related Parties

Commissioner Tom Downer is the owner of Jack's Country Store. The District purchased \$3,497.79 in supplies in 2016.

### 2. Contracted Ambulance Billing Services

Pacific County Fire Protection District No. 1 contracts with Systems Design Northwest, Inc., Medical Billing Systems and service located in Silverdale, Washington for the billing, collection and accounting of all ambulance transport revenue. Systems Design provides very detailed monthly reports for the District. Systems Design mails deposits slips and checks to the District, who then deposits the checks and sends notification to the Pacific County Treasurer. The EFTs received are deposited by the District to the County Treasurer. The monthly reports show the deposits for that period. The monthly detail reports track payments made to each account. The Assistant Chief of Administration prepares the individual billings of ambulance transports which are forwarded to Systems Design. The District Secretary reviews the monthly reports received from Systems Design. This information has previously been disclosed during our Audit with the State Auditor's office.

### 3. Use of EMS Levy Funds for Resident Transport Out of Pocket Expenses

In March of 2008, the Board of Commissioners of Pacific County Fire Protection District No. 1 passed a resolution authorizing the use of funds from the Emergency Medical Services (EMS) Levy as payment for out of pocket expenses of ambulance transports fees for residents and taxpayers of the District. The District Secretary verifies the resident and taxpayer status of each patient billed for ambulance transport services by the District. This information is forwarded to Systems Design with the individual billing details. Systems Design collects all applicable insurance payments and insurance adjustments and then forwards requests for Levy write offs to the District Secretary. The District Secretary checks each request before acknowledging that write offs can be approved. The Assistant Chief of Administration then receives Levy write off requests for final approval. Approvals are sent back to Systems Design where they record the Levy write offs in a monthly report submitted to the District. Resolutions are passed quarterly by the Board of Commissioners authorizing the write-off of out-of-pocket payments of ambulance transport fees for residents and taxpayers.

**Pacific County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2018**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	General Obligation Bond	9/6/2022	257,500	-	51,500	206,000
	<b>Total General Obligation Debt/Liabilities:</b>		<b>257,500</b>	<b>-</b>	<b>51,500</b>	<b>206,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liability		123,039	-	37,870	85,169
259.12	2018 Leave Liabilities		237,479	-	29,463	208,016
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>360,518</b>	<b>-</b>	<b>67,333</b>	<b>293,185</b>
	<b>Total Liabilities:</b>		<b>618,018</b>	<b>-</b>	<b>118,833</b>	<b>499,185</b>

**Pacific County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2017**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	General Obligation Bond (non-voted) 2012-2022	9/6/2022	309,000	-	51,500	257,500
	<b>Total General Obligation Debt/Liabilities:</b>		<b>309,000</b>		<b>51,500</b>	<b>257,500</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liability		157,793		34,754	123,039
259.12	2017 Leave Liabilities		207,321	30,158		237,479
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>365,114</b>	<b>30,158</b>	<b>34,754</b>	<b>360,518</b>
	<b>Total Liabilities:</b>		<b>674,114</b>	<b>30,158</b>	<b>86,254</b>	<b>618,018</b>

**Pacific County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2016**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	General Obligation Bond (non-voted) 2012-2022	9/6/2022	360,500	-	51,500	309,000
	<b>Total General Obligation Debt/Liabilities:</b>		<b>360,500</b>	<b>-</b>	<b>51,500</b>	<b>309,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	2016 Leave Liability		188,451	18,869	-	207,320
264.30	2016 Net Pension Liability		170,213	-	12,420	157,793
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>358,664</b>	<b>18,869</b>	<b>12,420</b>	<b>365,113</b>
	<b>Total Liabilities:</b>		<b>719,164</b>	<b>18,869</b>	<b>63,920</b>	<b>674,113</b>



## 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.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>

**LETTER OF REPRESENTATION TO BE TYPED ON CLIENT LETTERHEAD**  
*(USE THIS TEMPLATE FOR BARS CASH BASIS AUDITS)*

November 14, 2019

Washington State Auditor's Office  
ATTN: Team Olympia  
3200 Sunset Way SE  
Olympia, WA 98501

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of Pacific County Fire Protection District No. 1 for the period from January 1, 2016 through December 31, 2018. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

**General Representations:**

1. We have provided you with unrestricted access to people you wished to speak with and made available all relevant and requested information of which we are aware, including:
  - a. Financial records and related data.
  - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
  - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
  - e. Related party relationships and transactions.
  - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.

2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
7. We have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records.

**Additional representations related to the financial statements:**

10. We acknowledge our responsibility for fair presentation of the financial statements and believe financial statements are fairly presented in accordance with the *Budgeting, Accounting and Reporting Standards Manual* (BARS Manual), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
12. The financial statements properly classify all funds and activities.
13. Revenues are appropriately classified by fund and account in accordance with the BARS Manual.
14. Expenses are appropriately classified by fund and account, and allocations have been made on a reasonable basis.
15. Ending cash and investments are properly classified as reserved and unreserved.

16. Significant assumptions we used in making accounting estimates are reasonable.
17. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
  - a. Interfund, internal, and intra-entity activity and balances.
  - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - c. Joint ventures and other related organizations.
  - d. Guarantees under which the government is contingently liable.
  - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
  - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements and other loss contingencies.
18. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
19. We acknowledge our responsibility to include all necessary and applicable disclosures required by the BARS Manual, including:
  - a. Description of the basis of accounting, summary of significant accounting policies and how this differs from Generally Accepted Accounting Principles (GAAP).
  - b. Disclosures similar to those required by GAAP to the extent they are applicable to items reported in the financial statements.
  - c. Any additional disclosures beyond those specifically required by the BARS Manual that may be necessary for the statements to be fairly presented.
20. We acknowledge our responsibility for reporting supplementary information (the Schedule of Liabilities) in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.
21. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
22. We believe there are no uncorrected misstatements that would be material individually and in the aggregate to the financial statements taken as a whole.
23. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information

referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.

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Jacob Brundage  
Fire Chief

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District Secretary



**Exit Recommendations**  
**Pacific County Fire Protection District No. 1**  
**Audit Period Ending: 12/31/2018**

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We are providing the following exit recommendations for management's consideration. They are not referenced in the audit report. We may review the status of the following exit items in our next audit.

**Accountability:**

**Sole Source Purchases**

The District improperly claimed sole source for the 2017 purchase of an electric gurney totaling \$18,116.

We recommend the District ensure all purchases are made in accordance with state bid law.

**Prevailing Wages**

The District's bid specifications and contracts for public work projects did not contain all of the required prevailing wage language, they do not contain either:

- (1) a list of the applicable prevailing wage rates, or
- (2) the URL to the Department of Labor & Industries prevailing wage rates pages, and Identify the exact wage publication date to use; state the county in which the public works project is located; specify that a copy of the applicable wage rates is available for viewing in your office; and, explain that your agency will mail a hard copy of the applicable wage rates upon request.

We recommend the District update their bid specifications and contracts to include all of the necessary language as required by RCW 39.12.030.

**OPMA - Executive Sessions**

During our review of the minutes, we noted the District is not properly documenting executive sessions. The District did not state the estimated duration for all executive sessions; and for those where the duration of the session went beyond the estimated time the Board did not properly extend the session. We also noted not all the executive session topics were allowable per RCW 42.30.110(1).

We continue to recommend the District ensure executive sessions are documented in accordance with OPMA requirements.



**Exit Recommendations**  
**Pacific County Fire Protection District No. 1**  
**Audit Period Ending: 12/31/2018**

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**Small and Attractive Assets**

During our review of small and attractive assets, we noted the District policy is outdated and the asset listing does not include all of the all necessary identification and tracking elements for each asset. We also noted the District does not perform a regular inventory of all small and attractive assets to the master listing.

We recommend the District update their small and attractive asset policy and asset listing. We further recommend the District ensure a regular inventory of all assets is performed.

**Payroll: Merit Pay**

For 2017, the District paid a total of \$12,500 in merit pay to six employees, however there were not clearly defined and measurable performance goals in place for these employees prior to the merit pay being awarded.

We recommend the District implement a policy regarding merit pay and ensure there are clearly defined and measurable performance goals in place to evaluate prior to awarding employees merit pay.

**Small Works Roster - Contract List**

The District does not make available a list at least once a year identifying all contracts awarded through the small works roster that includes contractor/vendor name, amount of contract, brief description of the work, the date the project was awarded, and where the bid quotations may be obtained for public inspection as required by RCW 39.04.200.

We recommend the District make available a list of all contracts awarded through the small works roster as required by RCW 39.04.200.

**Payroll: Leave Accruals**

During our leave testing, we noted errors in the leave accrual amounts for one employee. As a result, this employee was paid for 119.5 hours of leave that they had not earned.

We recommend the District perform regular reviews of all leave accrual balances to ensure the system is properly calculating employee leave.

**Pension Contribution Reconciliation**

During our review of GASB 68 Pension balances, we noted that the incorrect proportionate share was used in the calculations. We also noted that the District does not use the DRS eServices Contribution Reconciliation System to verify the reasonableness of of contributions used in the calculation of their proportionate share.

We recommend the District use the DRS eServices Contribution Reconciliation System to verify the reasonableness of contributions used in the calculation of their proportionate share.

## Summary of Errors

Statement / Schedule	Description
Schedule of Liabilities - 2016, 2017 and 2018	2016 Net Pension Liability was understated by \$26,861. 2017 Net Pension Liability was overstated by \$8,179. 2018 Net Pension Liability was overstated by \$32,686. <b>Corrected.</b>
Notes to the Financial Statements - 2016, 2017 and 2018	Pension Note - The presentation of the note was correct, however the numbers reported were not accurate in comparison to the PEFI. <b>Corrected.</b>



NOTICE OF MEETING DATE CHANGE  
(RCW 42.30.080)



**The Board of Commissioners of Pacific County Fire Protection District 1 will hold a Special Meeting at:**

26109 Ridge Avenue, Ocean Park, WA 98640  
(Location of Meeting)

Thursday, November 14<sup>th</sup>, 2019  
(Date and Day of Week)

11:30 AM  
(Time)

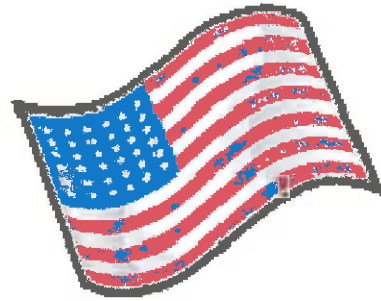
To discuss and/or take action on the following items of business:

1. WA State Auditor's Office Exit Interview
2. Other District Business

Dated this 12<sup>th</sup> day of November, 2019

Pacific County Fire Protection District 1  
Board of Commissioners

By:   
Fred Hill, Chairman of the Board



Copy of Notice given to:

Commissioner Hill	11/13/19	Date/Time	/ 0740
Commissioner Long	11/13/19		/ 0740

Commissioner Downer	11/13/19	Date/Time	/ 0740
Chinook Observer	11/13/19		/ 0741

Notice posting places, dates and times:

Station 21-1 Ocean Park	11/13/19	Date/Time	/ 0744
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Station 21-2 Seaview	11/13/19	Date/Time	/ 0741
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# Broadcast Report

P 1  
11/13/2019 09:06  
Serial No. A61F011001175  
TC: 302038

Addressee	Start Time	Time	Prints	Result	Note
Station 2	11-13 09:05	00:00:22	001/001	OK	
Chinook Observer	11-13 09:05	00:00:44	001/001	OK	

**Note** TMR:Timer TX, PDL:Polling, ORG:Original Size Setting, FME:Frame Erase TX, DPG:Page Separation TX, MIX:Mix Original TX, CALL:Manual TX, CSAC:CSAC, FWD:Forward, PC:PC-FAX, BND:Double-Sided Binding Direction, SP:Special Original, FCODE:F-code, RTX:RG-TX, RLV:Relay, MBX:Confidential, BUL:Bulletin, SIP:SIP Fax, IPADR:IP Address Fax, I-FAX:Internet Fax

**Result** OK: Communication OK, S-OK: Stop Communication, PW-OFF: Power Switch OFF, TEL: RX from TEL, NG: Other Error, Cont: Continue, No Ans: No Answer, Refuse: Receipt Refused, Busy: Busy, M-Full:Memory Full, LOVR:Receiving length Over, PQR:Receiving page over, FIL:File Error, DC:Decode Error, MDN:MDN Response Error, DSN:DSN Response Error, PRINT:Compulsory Memory document Print, DEL:Compulsory Memory document Delete, SEND:Compulsory Memory document Send.

## NOTICE OF MEETING DATE CHANGE (RCW 42.30.080)



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2. Other District Business

Dated this 12<sup>th</sup> day of November, 2019

Pacific County Fire Protection District 1  
Board of Commissioners

By:   
Fred Hill, Chairman of the Board



Copy of Notice given to:

Commissioner Hill	Date/Time
Commissioner Long	/

Commissioner Downer	Date/Time
Chinook Observer	/

Notice posting places, dates and times:

Station 21-1 Ocean Park	Date/Time
	/

Station 21-2 Seaview	Date/Time
	/