# Washington State Auditor's Office

## Financial Statements and Federal Single Audit Report

# Clark County Fire and Rescue

Audit Period
**January 1, 2009 through December 31, 2011**

**Report No. 1008326**

Issue Date
**September 24, 2012**

WASHINGTON
BRIAN SONNTAG
STATE AUDITOR

# Washington State Auditor
# Brian Sonntag

September 24, 2012

Board of Commissioners
Clark County Fire and Rescue
Ridgefield, Washington

## *Report on Financial Statements and Federal Single Audit*

Please find attached our report on Clark County Fire and Rescue's financial statements and compliance with federal laws and regulations.

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

Sincerely,

**BRIAN SONNTAG, CGFM**
STATE AUDITOR

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## January 1, 2009 through December 31, 2011


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# Federal Summary

## Clark County Fire and Rescue
## January 1, 2011 through December 31, 2011

The results of our audit of Clark County Fire and Rescue are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

## *FINANCIAL STATEMENTS*

An unqualified opinion was issued on the financial statements.

**Internal Control Over Financial Reporting:**

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.

- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the District.

## *FEDERAL AWARDS*

**Internal Control Over Major Programs:**

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.

- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the District's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

***Identification of Major Programs:***

The following was a major program during the period under audit:

| CFDA No. | Program Title |
|---|---|
| 97.056 | Port Security Grant Program |

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was $300,000.

The District did not qualify as a low-risk auditee under OMB Circular A-133.

# Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

**Clark County Fire and Rescue**
**January 1, 2009 through December 31, 2011**

Board of Commissioners
Clark County Fire and Rescue
Ridgefield, Washington

We have audited the financial statements of Clark County Fire and Rescue, Clark County, Washington, as of and for the years ended December 31, 2011, 2010 and 2009, and have issued our report thereon dated September 10, 2012.

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.

## *INTERNAL CONTROL OVER FINANCIAL REPORTING*

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

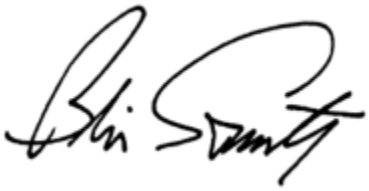
## *COMPLIANCE AND OTHER MATTERS*

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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.



**BRIAN SONNTAG, CGFM**
STATE AUDITOR

September 10, 2012

# Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

**Clark County Fire and Rescue**
**January 1, 2011 through December 31, 2011**

Board of Commissioners
Clark County Fire and Rescue
Ridgefield, Washington

## *COMPLIANCE*

We have audited the compliance of Clark County Fire and Rescue, Clark County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2011. The District's major federal program is identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2011.

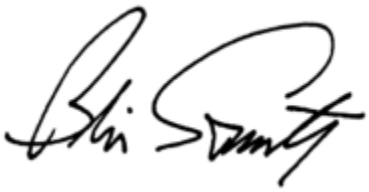
## *INTERNAL CONTROL OVER COMPLIANCE*

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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.



**BRIAN SONNTAG, CGFM**
STATE AUDITOR

September 10, 2012

# Independent Auditor's Report on Financial Statements

## Clark County Fire and Rescue
## January 1, 2009 through December 31, 2011

Board of Commissioners
Clark County Fire and Rescue
Ridgefield, Washington

We have audited the accompanying financial statements of Clark County Fire and Rescue, Clark County, Washington, for the years ended December 31, 2011, 2010 and 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

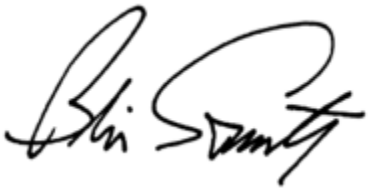
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Clark County Fire and Rescue, for the years ended December 31, 2011, 2010 and 2009, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and

Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedules of Long-Term Liabilities are also 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.

The report is intended for the information and use of the governing body and management of the District. 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.



**BRIAN SONNTAG, CGFM**
STATE AUDITOR

September 10, 2012

# Financial Section

## Clark County Fire and Rescue
## January 1, 2009 through December 31, 2011

### *FINANCIAL STATEMENTS*

Resources and Uses Arising from Cash Transactions – 2011
Resources and Uses Arising from Cash Transactions – 2010
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Notes to Financial Statements – 2011, 2010 and 2009

### *SUPPLEMENTARY INFORMATION*

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Schedule of Expenditures of Federal Awards and Notes – 2011

Clark County FIRE & RESCUE

# FUND RESOURCES and USES ARISING FROM CASH TRANSACTIONS

For the Period Ending December 31, 2011

MCAG No. 2959
Clark County Fire Rescue

| BARS CODE | | TOTAL All Funds | 028 General | 126 EMS | 154 FFFB | 220 Debt | 222 Debt |
|---|---|---|---|---|---|---|---|
| *308.10* | *Reserved Beginning Cash and Investments* | **$ 66,372** | *$ 43,524* | *$ 12* | *$ 12,872* | $ - | *$ 9,964* |
| *308.80* | *Unreserved Beginning Cash and Investments* | **$ 2,180,185** | *$ 2,180,185* | $ - | $ - | $ - | $ - |
| **Revenues and Other Sources:** | | | | | | | |
| 310 | Taxes | $ 5,008,357 | $ 4,758,313 | $ 379 | | $ - | $ 249,665 |
| 330 | Intergovernmental | $ 589,378 | $ 589,378 | $ - | | $ - | $ - |
| 340 | Charges for Goods and Services | $ 2,107,130 | $ 1,988,914 | $ - | $ 118,216 | $ - | $ - |
| 360 | Miscellaneous | $ 91,615 | $ 91,231 | $ - | $ 79 | $ - | $ 305 |
| 390 | Other Financing Sources | $ 649,226 | $ 39,959 | $ - | $ 85,190 | $ 171,440 | $ 352,637 |
| | ***Total Revenue and Other Sources*** | **$ 8,445,706** | **$ 7,467,795** | **$ 379** | **$ 203,485** | **$ 171,440** | **$ 602,607** |
| | | | | | | | |
| | **Total Resources** | **$ 10,692,263** | ***$ 9,691,504*** | ***$ 391*** | ***$ 216,357*** | ***$ 171,440*** | ***$ 612,571*** |
| **Expenditures and Other Uses:** | | | | | | | |
| 510 | General Government | $ 45,191 | $ 45,191 | $ - | | $ - | $ - |
| 520 | Security of Persons and Property | $ 6,938,274 | $ 6,864,566 | $ - | $ 73,708 | $ - | $ - |
| | ***Total Operating Expenditures*** | **$ 6,983,465** | **$ 6,909,757** | **$ -** | **$ 73,708** | **$ -** | **$ -** |
| 591-93 | Debt Service | $ 772,036 | $ 474 | $ - | | $ 171,440 | $ 600,122 |
| 594 | Capital Expenditures | $ 207,934 | $ 186,857 | $ - | $ 21,077 | $ - | |
| 598 | Other Expenditures | $ 121,251 | $ - | $ - | $ 121,251 | $ - | |
| | ***Total Expenditures*** | **$ 8,084,686** | **$ 7,097,088** | **$ -** | **$ 216,036** | **$ 171,440** | **$ 600,122** |
| 596-97, 599 | Other Financing Uses | $ 609,545 | $ 608,680 | $ 391 | $ - | $ - | $ 474 |
| | **Total Expenditures and Other Uses** | **$ 8,694,231** | **$ 7,705,768** | **$ 391** | **$ 216,036** | **$ 171,440** | **$ 600,596** |
| **Excess (Deficit) of Resources Over Uses** | | **$ 1,998,032** | ***$ 1,985,736*** | **$ -** | ***$ 321*** | **$ -** | ***$ 11,975*** |
| 380 | Nonrevenues (Except 384) | $ - | $ - | $ - | | $ - | $ - |
| 580 | Nonexpenditures (Except 584) | $ - | $ - | $ - | | $ - | $ - |
| ***508.10*** | ***Reserved Ending Cash and Investments*** | **$ 47,660** | ***$ 35,364*** | **$ -** | ***$ 321*** | **$ -** | ***$ 11,975*** |
| ***508.80*** | ***Unreserved Ending Cash and Investments*** | **$ 1,950,372** | ***$ 1,950,372*** | **$ -** | **$ -** | **$ -** | **$ -** |



The Accompanying Notes are an integral part of this statement.

Clark County FIRE & RESCUE

# FUND RESOURCES and USES ARISING FROM CASH TRANSACTIONS

For the Period Ending December 31, 2010

MCAG No. 2959
Clark County Fire Rescue

| BARS CODE | | TOTAL Actual | 028 General | 126 EMS | 154 FFFB | 220 Debt | 222 Debt |
|---|---|---|---|---|---|---|---|
| *308.10* | *Reserved Beginning Cash and Investments* | ***$ 71,592*** | *$ 32,531* | *$ 295* | *$ 29,355* | $ - | *$ 9,411* |
| *308.80* | *Unreserved Beginning Cash and Investments* | ***$ 2,091,119*** | *$ 2,091,119* | $ - | $ - | $ - | $ - |
| **Revenues and Other Sources:** | | | | | | | |
| 310 | Taxes | $ 5,291,171 | $ 5,045,558 | $ 3,231 | | $ - | $ 242,382 |
| 330 | Intergovernmental | $ 1,938,523 | $ 1,825,398 | $ - | $ 113,125 | $ - | $ - |
| 340 | Charges for Goods and Services | $ 143,607 | $ 143,607 | $ - | | $ - | $ - |
| 360 | Miscellaneous | $ 124,437 | $ 123,760 | $ - | $ 161 | $ - | $ 516 |
| 390 | Other Financing Sources | $ 634,799 | $ 27,886 | $ - | $ 62,800 | $ 189,385 | $ 354,728 |
| | ***Total Revenue and Other Sources*** | **$ 8,132,537** | **$ 7,166,209** | **$ 3,231** | **$ 176,086** | **$ 189,385** | **$ 597,626** |
| | | | | | | | |
| | **Total Resources** | ***$ 10,295,248*** | ***$ 9,289,859*** | ***$ 3,526*** | ***$ 205,441*** | ***$ 189,385*** | ***$ 607,037*** |
| **Expenditures and Other Uses:** | | | | | | | |
| 510 | General Government | $ 49,730 | $ 49,730 | $ - | | $ - | $ - |
| 520 | Security of Persons and Property | $ 6,410,029 | $ 6,334,926 | $ - | $ 75,103 | $ - | $ - |
| | ***Total Operating Expenditures*** | **$ 6,459,759** | **$ 6,384,656** | **$ -** | **$ 75,103** | **$ -** | **$ -** |
| 591-93 | Debt Service | $ 786,459 | $ 474 | $ - | | $ 189,385 | $ 596,600 |
| 594 | Capital Expenditures | $ 75,482 | $ 75,482 | $ - | | $ - | |
| 598 | Other Expenditures | $ 178,890 | $ 61,424 | $ - | $ 117,466 | $ - | |
| | ***Total Expenditures*** | **$ 7,500,590** | **$ 6,522,036** | **$ -** | **$ 192,569** | **$ 189,385** | **$ 596,600** |
| 596-97, 599 | Other Financing Uses | $ 548,102 | $ 544,114 | $ 3,514 | | $ - | $ 474 |
| | **Total Expenditures and Other Uses** | **$ 8,048,692** | **$ 7,066,150** | **$ 3,514** | **$ 192,569** | **$ 189,385** | **$ 597,074** |
| **Excess (Deficit) of Resources Over Uses** | | ***$ 2,246,556*** | ***$ 2,223,709*** | ***$ 12*** | ***$ 12,872*** | ***$ -*** | ***$ 9,963*** |
| 380 | Nonrevenues (Except 384) | $ - | $ - | $ - | | $ - | $ - |
| 580 | Nonexpenditures (Except 584) | $ - | $ - | $ - | | $ - | $ - |
| ***508.10*** | ***Reserved Ending Cash and Investments*** | ***$ 66,371*** | ***$ 43,524*** | ***$ 12*** | ***$ 12,872*** | ***$ -*** | ***$ 9,963*** |
| ***508.80*** | ***Unreserved Ending Cash and Investments*** | ***$ 2,180,185*** | ***$ 2,180,185*** | ***$ -*** | ***$ -*** | ***$ -*** | ***$ -*** |



The Accompanying Notes are an integral part of this statement.

Clark County FIRE & RESCUE

# FUND RESOURCES and USES ARISING FROM CASH TRANSACTIONS

For the Period Ending December 31, 2009

MCAG No. 2959
Clark County Fire Rescue

| BARS CODE | | TOTAL Actual | 028 - General Budget | 028 - General Actual | 222 - Bond Budget | 222 - Bond Actual | 126 - EMS Budget | 126 - EMS Actual | 020 - Bond Budget | 020 - Bond Actual |
|---|---|---|---|---|---|---|---|---|---|---|
| 308 | Beginning Net Cash and Investments | **$ 2,139,666** | $ 2,065,400 | $ 2,123,006 | $ 17,200 | $ 15,074 | $ - | $ 1,585 | $ - | $ - |
| **Revenues and Other Sources:** | | | | | | | | | | |
| 310 | Taxes | $ 6,077,075 | $ 5,950,100 | $ 5,843,231 | $ 233,250 | $ 227,935 | $ 5,000 | $ 5,909 | $ - | $ - |
| 330 | Intergovernmental | $ 1,622,938 | $ 1,674,800 | $ 1,622,938 | | $ - | $ - | $ - | $ - | $ - |
| 340 | Charges for Goods and Services | $ 156,315 | $ 163,250 | $ 156,315 | | $ - | $ - | $ - | $ - | $ - |
| 360 | Miscellaneous | $ 123,169 | $ 129,500 | $ 122,210 | $ 2,200 | $ 953 | $ - | $ 6 | $ - | $ - |
| 390 | Other Financing Sources | $ 768,685 | $ 226,100 | $ 269,666 | $ 324,200 | $ 330,160 | $ - | $ - | $ 168,870 | $ 168,858 |
| | ***Total Revenue and Other Sources*** | **$ 8,748,182** | **$ 8,143,750** | **$ 8,014,360** | **$ 559,650** | **$ 559,049** | **$ 5,000** | **$ 5,915** | **$ 168,870** | **$ 168,858** |
| | **Total Resources** | ***$ 10,887,848*** | ***$ 10,209,150*** | ***$ 10,137,366*** | ***$ 576,850*** | ***$ 574,123*** | ***$ 5,000*** | ***$ 7,500*** | ***$ 168,870*** | ***$ 168,858*** |
| **Expenditures and Other Uses:** | | | | | | | | | | |
| 510 | General Government | $ 291,558 | $ 305,750 | $ 291,558 | $ - | $ - | $ - | $ - | $ - | $ - |
| 520 | Security of Persons and Property | $ 6,512,954 | $ 6,755,570 | $ 6,512,954 | $ - | $ - | $ - | $ - | $ - | $ - |
| | ***Total Operating Expenditures*** | **$ 6,804,512** | **$ 7,061,320** | **$ 6,804,512** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| 591-93 | Debt Service | $ 733,570 | $ 1,100 | $ 1,079 | $ 563,750 | $ 563,633 | $ - | $ - | $ 168,870 | $ 168,858 |
| 594-96 | Capital Outlay | $ 645,657 | $ 638,000 | $ 645,657 | $ - | | $ - | $ - | $ - | $ - |
| | ***Total Expenditures*** | **$ 8,183,739** | **$ 7,700,420** | **$ 7,451,248** | **$ 563,750** | **$ 563,633** | **$ -** | **$ -** | **$ 168,870** | **$ 168,858** |
| 597-599 | Other Financing Uses | $ 570,753 | $ 566,520 | $ 562,469 | $ 1,100 | $ 1,079 | $ 5,000 | $ 7,206 | $ - | $ - |
| | **Total Expenditures and Other Uses** | **$ 8,754,492** | **$ 8,266,940** | **$ 8,013,717** | **$ 564,850** | **$ 564,712** | **$ 5,000** | **$ 7,206** | **$ 168,870** | **$ 168,858** |
| **Excess (Deficit) of Resources Over Uses** | | ***$ 2,133,356*** | ***$ 1,942,210*** | ***$ 2,123,650*** | ***$ 12,000*** | ***$ 9,411*** | ***$ -*** | ***$ 295*** | ***$ -*** | ***$ -*** |
| 380 | Nonrevenues (Except 384 and 388.80) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 580 | Nonexpenditures (Except 584 and 588.80) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| ***508*** | ***Ending Net Cash and Investments*** | ***$ 2,133,356*** | ***$ 1,942,210*** | ***$ 2,123,650*** | ***$ 12,000*** | ***$ 9,411*** | ***$ -*** | ***$ 295*** | ***$ -*** | ***$ -*** |

Statement C-4

The Accompanying Notes are an integral part of this statement.

## NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Clark County Fire & Rescue is a special purpose government that provides fire protection and emergency medical response services to the general public and is supported primarily through property tax revenue. The District was incorporated in 1961 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprise its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District:

General Fund - 028
This is the primary operating fund of Clark County Fire & Rescue. It accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – EMS Fund 126 & FFFB Fund 154
These funds account for the proceeds of specific revenues sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds – 220 & 222
These funds account for the accumulation of resources to pay principal, interest, and related costs on general long-term debt.

b. Basis of Accounting

The District reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting, and Reporting System (BARS) for Fire Districts in the State of Washington* manual. This basis of accounting and reporting is considered other comprehensive basis of accounting (OCBOA) as prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

c. Cash

It is the District's policy to invest all temporary cash surpluses. The amount is included in the statement of resources and uses arising from cash transactions as cash and investments.

d. Deposits

The District's deposits are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission.

e. Capital Assets

Capital assets are long-lived assets of the District, and are recorded as capital expenditures when purchased.

f. Compensated Absences

Vacation leave for contract labor, full time administrative and permanent part time administrative personnel may be carried over annually with no limit of accumulation. Upon submittal of resignation, accrued but unused vacation time remaining will be paid at the employee's current rate of pay, not to exceed one year's worth of accrual at the employee's current accrual rate. Upon notification of permanent separation the employee may be required to utilize part of all of their eligible accrued leave prior to the date of termination.

Sick leave may be accumulated up to 400 hours for permanent part time administrative staff, 800 hours for contract labor non-shift (40 hour/week) personnel, and 1200 hours for all full-time administrative and contract labor shift personnel. After of five years of continuous service and upon entering into the Washington State Retirement System or being placed on permanent medical disability, employees are paid for accumulated sick leave at twenty five percent (25%) of their current base rate of pay.

Other part time personnel do not accrue benefits.

g. Reserved Fund Balances

The District allocated reserves for the Clark County Training Division under an interagency agreement with Clark County Fire District 6 and Vancouver Fire in 2011. Despite a requirement of advance notice, Vancouver Fire withdrew from the cooperative agreement in November 2011 without penalty; no funds were dispersed. The reserve fund balance as of December 31, 2011 was $17,845. The interlocal agreement with Clark County Fire District 6 was subsequently dissolved effective September 1, 2012. Uncommitted funds as of this date will be refunded to District 6 and reallocated to Clark Fire & Rescue's general fund under the terms of the agreement.

The District allocated reserves for the Clark County EMS Consortium under an interagency agreement with Camas Fire, Washougal Fire, East County Fire & Rescue and Clark County Fire Districts 3 and 6 in February 2010. Year end balances in the fund were as follows:

| | |
|---|---|
| 2010 | $ 10,723 |
| 2011 | $ 16,082 |

Reserve funds were held in a general fund investment sub-account under a private agreement with a property developer initiated in 2002 to cover a debt service liability with First Independent Bank for the purchase of a ladder truck (reference Note 7 – Litigation). The agreement states that the District shall hold one loan payment in advance. Year end balances in the fund were as follows:

| | |
|---|---|
| 2009 | $ 32,531 |
| 2010 | $ 32,801 |
| 2011 | $ 1,438 |

Funds held in EMS Fund 126 wholly consist of outstanding taxes due under an EMS levy assessed to Clark County Fire District 12 taxpayers from years 2002 through 2007 to be used for EMS operations. Amounts collected are transferred to the general fund to be used for this purpose. Year end balances in the fund were as follows:

| | |
|---|---|
| 2009 | $ 295 |
| 2010 | $ 12 |
| 2011 | $ 0 |

FFFB Fund 154 is held per interagency agreements with Clark County and Clark County Fire District 6 for the operation and maintenance of the Fairgrounds Public Safety Complex. Year end balances in the fund were as follows:

| | |
|---|---|
| 2010 | $ 12,872 |
| 2011 | $ 321 |

Funds held in Bond Fund 222 are strictly reserved for the purpose of voted debt redemption. Year end balances in the fund were as follows:

| | |
|---|---|
| 2009 | $ 9,411 |
| 2010 | $ 9,963 |
| 2011 | $ 11,975 |

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

There have been no material violations of finance-related legal or contractual provisions.

**NOTE 3 - PROPERTY TAXES**

The Clark County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Daily receipts are distributed to the appropriate funds three business days following receipt of payment.

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

The District's regular levy was as follows:

| Year | Rate/$1K | Valuation | Levy |
|---|---|---|---|
| 2009 | $ 1.4580374 | $ 4,048,946,396 | $ 5,903,515 |
| 2010 | $ 1.50 | $ 3,340,874,400 | $ 5,011,312 |
| 2011 | $ 1.50 | $ 3,124,803,709 | $ 4,687,206 |
| 2012 | $ 1.50 | $ 2,995,346,518 | $ 4,493,020 |

The District's capital bond levy was as follows:

| Year | Rate/$1K | Valuation | Levy |
|---|---|---|---|
| 2009 | $ 0.1186063 | $ 1,915,156,897 | $ 199,942 |
| 2010 | $ 0.1485471 | $ 1,625,746,517 | $ 241,500 |
| 2011 | $ 0.1631358 | $ 1,531,639,622 | $ 249,865 |
| 2012 | $ 0.1689974 | $ 1,502,981,567 | $ 254,000 |

*Note:*
*The capital bond levy was originated by Clark County Fire District 12. Taxpayers owning property originally located in Fire District 14 and Fire District 11 at the time this bond levy was passed (1999) do not pay this assessment. Districts 12 and 14 merged in March 2001 and Districts 11 and 12 (now Clark County Fire & Rescue) merged in November 2008. The assessed valuation for the Bond is calculated as the regular levy valuation less the District 14 and District 11 valuations. Assessed valuation for the bond levy calculation will be significantly less than the regular assessment (even allowing for the low income/senior discount) until this bond is fully redeemed in 2019.*

Delinquent taxes receivable by Fund as of December 31 is as follows:

| | 2009 | 2010 | 2011 |
|---|---|---|---|
| Bond Fund 222 | $ 16,359 | $ 14,849 | $ 14,339 |
| EMS Fund 126 | $ 3,237 | $ 622 | $ 86 |
| General Fund 028 | $ 317,143 | $ 363,142 | $ 296,435 |

## NOTE 4 - INVESTMENTS

Clark County Fire & Rescue's investments are held by the Clark County Treasurer as its agent in the District's name.

Investments in the County's pool are not subject to categorization as specific instruments cannot be distinguished between those participating in the pool. The District's interest in the pool as of December 31, stated at fair value, was as follows:

| | |
|---|---|
| 2009 | $ 2,160,348 |
| 2010 | $ 2,246,109 |
| 2011 | $ 2,000,001 |

## NOTE 5 - LONG-TERM DEBT

The accompanying Schedules of Long-Term Debt (09) provides a summary of the outstanding debt of the district and summarizes the District's debt transactions for years 2009-11. The debt service requirements, including interest, are as follows:

| | GO Bonds | Other Debt | Total Debt |
|---|---|---|---|
| 2012 | $ 769,163 | $ 0 | $ 769,163 |
| 2013 | $ 747,114 | $ 0 | $ 747,114 |
| 2014 | $ 687,650 | $ 0 | $ 687,650 |
| 2015 | $ 670,468 | $ 0 | $ 670,468 |
| 2016 | $ 603,651 | $ 0 | $ 603,651 |
| 2017-21 | $ 2,513,889 | $ 0 | $ 2,513,889 |
| 2022-26 | $ 691,652 | $ 0 | $ 691,652 |
| 2027-31 | $ 0 | $ 0 | $ 0 |
| TOTALS | $ 6,683,587 | $ 0 | $ 6,683,587 |

## NOTE 6 - PENSION PLANS

All of the District's full-time and qualifying part-time employees participate in
LEOFF 2, PERS 2, or PERS 3 plans as administered by the Department of Retirement Systems under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the District's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trends or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be found on their web site at www.drs.wa.gov or requested by mail:

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

## NOTE 7 – OTHER DISCLOSURES

### *LEOFF 1 Retiree*

The District provides legislated medical coverage for one LEOFF 1 retiree (1983).

### *Merger – Clark Fire Districts 11 & 12*

A request for a formal merger into Clark County Fire & Rescue (Clark County Fire Protection District 11) was overwhelmingly approved by the District 12 voters on the November 4, 2008 ballot. The merger was formalized and assets and liabilities of District 12 were transferred to Clark County Fire & Rescue effective

December 31, 2008.

***Board of Commissioners***
Following the merger the Board consisted of six fire commissioners. On November 3, 2009 the voters approved a proposition to increase the Board of Fire Commissioners from three to five members. During subsequent years the Board was comprised as follows:

***January 1, 2009***

| Name | Previous District | Term Ending |
|---|---|---|
| James R Johnson | 11 | December 31, 2009 |
| William Hargett* | 12 | December 31, 2009 |
| Gerald Kolke | 11 | December 31, 2011 |
| S Jon Babcock | 12 | December 31, 2011 |
| Linn Dollar* | 11 | December 31, 2013 |
| Michael Lambrecht | 12 | December 31, 2013 |

** Deceased prior to December 31, 2009*

***January 1, 2010***

| Name | Term Ending |
|---|---|
| Gerald Kolke | December 31, 2011 |
| S Jon Babcock | December 31, 2011 |
| Michael Lambrecht | December 31, 2013 |
| James R Johnson | December 31, 2015 |

***March 24, 2010****

| Pos | Name | Term Ending |
|---|---|---|
| 1 | Michael Lambrecht | December 31, 2013 |
| 2 | James R Johnson | December 31, 2015 |
| 3 | Gerald Kolke | December 31, 2011 |
| 4 | S Jon Babcock | December 31, 2011 |
| 5 | Michael Nolan** | December 31, 2013 |

** Reference Resolution No. 100310-1*
*** Reference Resolution No. 100324-1*

***January 1, 2011***

| Pos | Name | Term Ending |
|---|---|---|
| 1 | Michael Lambrecht | December 31, 2013 |
| 2 | James R Johnson | December 31, 2015 |
| 3 | Gerald Kolke | December 31, 2011 |
| 4 | S Jon Babcock | December 31, 2011 |
| 5 | Richard Britschgi* | December 31, 2013 |

** Reference Resolution No. 100908-1*

***January 1, 2012***

| Pos | Name | Term Ending |
|---|---|---|
| 1 | Michael Lambrecht | December 31, 2013 |
| 2 | James R Johnson | December 31, 2015 |
| 3 | Gerald Kolke | December 31, 2017 |
| 4 | S Jon Babcock | December 31, 2017 |
| 5 | Richard Britschgi | December 31, 2013 |

***Litigation***

A dispute with a former probationary employee terminated in January 2008 was resolved in 2010. Total cost to the District was $40,174, which is inclusive of all legal fees incurred since January 2008 and a $5,000 plaintiff settlement.

A dispute with another former employee, whose position was eliminated on December 31, 2011, was resolved in May 2012. Total cost to the District was $6,346 in legal fees. The final settlement was paid by the District's liability insurance carrier.

The District is also involved in a dispute over a contractual agreement with a property developer to cover loan payments associated with an aerial ladder truck donated in 2003. Legal expenses paid through April 2012 were $8,072. There are three remaining debt service payments of $31,509.51, which are due June 1, 2012; December 1, 2012, and June 1, 2013. As of April 30, 2012, the District had $1,439 in the reserve fund to cover this liability. Per past practice, one debt service payment was kept in reserve. Available funds are wholly comprised of accrued interest. The last contract payment of $31,509.51 was received in June 2011 with a letter indicating that no further payment would be remitted. Until the matter is resolved any debt service payment shortages will be drawn from the general fund. A summons and complaint has been filed in Clark County. A timeframe for resolution of the matter or estimate of future legal costs cannot be calculated at this time.

***Clark County Risk Management Group***

On October 21, 1994 under the authority of RCW 39.34 and RCW 48.62, the Secretary of State approved the creation of a nonprofit corporation: *Clark County Fire Rescue Risk Management Group*. The member districts are Clark County Fire District 6, Clark County Fire & Rescue, East County Fire & Rescue and Cowlitz 2 Fire & Rescue. Clark County Fire District 3, a founding member, withdrew from the pool on November 1, 2009. The purpose of the corporation is to pool risk exposure, as well as other cooperative purposes, in an effort to lower insurance premiums for the member districts.

The officers and directors of the corporation as of January 4, 2012 are listed below:

| | |
|---|---|
| President: | John Clancy, East County Fire & Rescue |
| Vice President: | Michael Lambrecht, Clark County Fire & Rescue |
| Secretary: | Bill Hallanger, Cowlitz 2 Fire & Rescue |
| Exec Secretary: | Tina Mensinger, Clark County Fire District 6 |
| Registered Agent: | Dave Taylor, Clark County Fire District 6 |
| Risk Manager: | Dennis Mason, Clark County Fire & Rescue |

The corporation purchases the typical wide range of insurance coverage through Volunteer Firemen's Insurance Services (VFIS) with American Alternative Insurance Corporation as the underwriter. Coverage is as follows:

| CCFR – Fund 028 | 12/31/11 | 12/31/10 | 12/31/09 |
|---|---|---|---|
| Errors & Omissions (Aggregate) | $3,000,000 | $3,000,000 | $3,000,000 |
| Errors & Omissions (per Occurrence) | $1,000,000 | $1,000,000 | $1,000,000 |
| Business & Auto Coverage (per Occurrence) | $1,000,000 | $1,000,000 | $1,000,000 |
| General Liability (Aggregate) | $3,000,000 | $3,000,000 | $3,000,000 |
| General Liability (per Occurrence) | $1,000,000 | $1,000,000 | $1,000,000 |
| Real Property Insurance | $10,534,062 | $10,128,906 | $9,739,333 |
| Special Property Insurance – Boat House | $25,000 | $25,000 | $25,000 |
| Personal Property Insurance | $468,471 | $450,452 | $1,591,530* |
| Crime Insurance | $100,000 | $100,000 | $100,000 |
| Umbrella (Aggregate) | $20,000,000 | $20,000,000 | $20,000,000 |
| Umbrella (per Occurrence) | $10,000,000 | $10,000,000 | $10,000,000 |

| FFFB – Fund 654 | 12/31/11 | 12/31/10 | 12/31/09 |
|---|---|---|---|
| Real Property Insurance | $2,812,160 | $2,704,000 | $2,600,000 |
| Personal Property Insurance | $45,730 | $43,971 | $1,591,530* |

* Aggregate coverage for CCRMG – individual agency coverage was not specified in the policy.

***Fairgrounds Fire Facility Board***

The Fairgrounds Fire Facility Board was created by inter-local agreement with Clark County Fire Districts 6, 11, and 12 in 1999. The Board is responsible for facility management of the Fairgrounds Public Safety Complex, which houses the Clark County Fire Marshal's Office, the Clark County Sheriff's Office West Precinct, as well as a volunteer fire station jointly operated by the fire districts. As a result of the merger of Districts 11 and 12, effective January 1, 2009 the FFFB is comprised of the fire chief and one fire commissioner from each of the two remaining Districts. Members retain equal voting rights.

In late 2011 it was determined by the State Auditor's Office that the FFFB is not a separate legal entity and is to be managed as a special revenue fund under Clark County Fire & Rescue, which has been the fiscal agent for the Board since its inception. The change has been implemented retroactive to the last audit period conducted for Clark Fire & Rescue. The additional $12,872 in beginning cash reflects the change in financial reporting. Financial statements were amended to reflect this change for the fiscal year ending December 31, 2010. The FFFB financial statements for 2009 were audited in 2010 as they were still considered a separate legal entity at the time of the audit.

Prior to 2005, the FFFB's share of operating cost and bond liability was 55% with the balance paid by Clark County. In 2004 the FFFB began an investigation of the actual facility square footage distribution between fire operations and the two County agencies residing in the facility. It was determined that the calculation which established the original distribution was incorrect. As a result, the FFFB's share of the facility's shared operating expenses and bond liability was reduced. The actual distribution figure was not finalized until Fall 2005, but the revised percentage was agreed to be retroactive to January 1, 2005. Per the amended contract signed in October of 2005, the FFFB is liable for 49% of the shared operating costs and capital bond liability of the 20,000 square foot facility.

In September of 2004 the FFFB agreed to annually review, and if necessary adjust, each District's share of remaining operating costs and FFFB bond liability based on actual response from the joint facility into the respective District using a rolling 24 month assessment period. Prior to the merger with District 12, CCF&R bore far less of a burden due to the comparatively low percentage of facility utilization. Individual fire agency cost share percentages apply to direct emergency service operating expenses and to the 49% of the shared facility operation expenses and debt liability. In September 2010, the two Districts agreed to budget for and equally share all costs.

The cost share percentage history is as follows:

| Year | Fire District 6 | Clark F&R | Fire District 12 |
|---|---|---|---|
| 1999 – 2004 | 33.34% | 33.33% | 33.33% |
| 2005 | 42% | 16% | 42% |
| 2006 | 41% | 18% | 41% |
| 2007 | 41.5% | 17% | 41.5% |
| 2008 | 43.5% | 13% | 43.5% |
| 2009 – 2010 | 60.0% | 40.0% | [redacted] |
| 2011 – 2012 | 50.0% | 50.0% | |

The FFFB's remaining facility and emergency response operating costs are allocated under a revised interlocal agreement adopted January 6, 2009 between Clark 6 and Clark County Fire & Rescue.

Clark County Fire District 6 fund contributions to the Fairgrounds Fire Facility Board was as follows:

| Year | Amount |
|---|---|
| 2010 | $ 92,135 |
| 2011 | $ 84,603 |

***Interfund Transfers***

Some amounts shown in "Other Financing Sources" and "Other Financing Uses" are comprised of District interfund transfers. Transfers by fund for years 2009 – 2011 are as follows:

***2009***

| Financing Sources | Financing Uses | Amount |
|---|---|---|
| Bond Fund 220 | General Fund 028 | $ 168,858 |
| Bond Fund 222 | General Fund 028 | $ 330,160 |
| General Fund 028 | Bond Fund 222 | $ 1,079 |
| General Fund 028 | EMS Fund 126 | $ 7,206 |
| Fiduciary Fund 654 | General Fund 028 | $ 63,450 |

***2010***

| Financing Sources | Financing Uses | Amount |
|---|---|---|
| Bond Fund 220 | General Fund 028 | $ 189,385 |
| Bond Fund 222 | General Fund 028 | $ 354,728 |
| General Fund 028 | Bond Fund 222 | $ 474 |
| General Fund 028 | EMS Fund 126 | $ 3,514 |
| Fiduciary Fund 654 | General Fund 028 | $ 61,424 |

***2011***

| Financing Sources | Financing Uses | Amount |
|---|---|---|
| Bond Fund 220 | General Fund 028 | $ 171,440 |
| Bond Fund 222 | General Fund 028 | $ 352,637 |
| General Fund 028 | Bond Fund 222 | $ 474 |
| General Fund 028 | EMS Fund 126 | $ 391 |
| Fiduciary Fund 654 | General Fund 028 | $ 86,213 |

Clark County FIRE & RESCUE

# SCHEDULE of LONG TERM LIABILITIES

For the Year Ended December 31, 2011

MCAG No. 2959
Clark County Fire Rescue

| ID No. | Description | Beginning Balance 1-Jan-11 | Additions | Reductions | BARS Coding for Redemption | Ending Balance 31-Dec-11 |
|---|---|---|---|---|---|---|
| CLAFIR1299 REFUND | Voted Debt | $ 1,935,000 | $ - | $ 145,000 | 591.22.71 | $ 1,790,000 |
| 2004B RE CONT | Real Property | $ 182,952 | $ - | $ 52,272 | 591.22.71 | $ 130,680 |
| 2004A | Truck Refinance | $ 148,784 | $ - | $ 57,810 | 591.22.71 | $ 90,974 |
| 2005-1 | Station 21 (new) | $ 2,297,122 | $ - | $ 116,452 | 591.22.71 | $ 2,180,670 |
| 2006-1 | Station 22 (remodel) | $ 745,000 | $ - | $ 55,000 | 591.22.71 | $ 690,000 |
| 2007-1 | Rescue Vehicle | $ 185,000 | $ - | $ 37,000 | 591.22.71 | $ 148,000 |
| 2009-1 | Fire Engine | $ 166,667 | $ - | $ 33,333 | 591.22.71 | $ 133,334 |
| Vacation | Compensated Leave | $ 335,476 | $ 368,307 | $ 357,518 | | $ 346,265 |
| Sick | Compensated Leave | $ 159,702 | | | | $ 155,113 |

Washington State Auditor's Office




The accompanying Notes are an integral part of this schedule.

Clark County FIRE & RESCUE

# SCHEDULE of LONG TERM LIABILITIES

For the Year Ended December 31, 2010

MCAG No. 2959
Clark County Fire Rescue

| ID No. | Description | Beginning Balance 1-Jan-10 | Additions | Reductions | BARS Coding for Redemption | Ending Balance 31-Dec-10 |
|---|---|---|---|---|---|---|
| CLAFIR1299 REFUND | Voted Debt | $ 2,070,000 | $ - | $ 135,000 | 591.22.71 | $ 1,935,000 |
| 2004-1 | Equipment | $ 12,500 | $ - | $ 12,500 | 591.22.71 | $ - |
| 2004B RE CONT | Real Property | $ 235,224 | $ - | $ 52,272 | 591.22.71 | $ 182,952 |
| 2004A | Truck Refinance | $ 204,418 | $ - | $ 55,634 | 591.22.71 | $ 148,784 |
| 2005-1 | Station 21 (new) | $ 2,407,930 | $ - | $ 110,808 | 591.22.71 | $ 2,297,122 |
| 2006-1 | Station 22 (remodel) | $ 800,000 | $ - | $ 55,000 | 591.22.71 | $ 745,000 |
| 2007-1 | Rescue Vehicle | $ 222,000 | $ - | $ 37,000 | 591.22.71 | $ 185,000 |
| 2009-1 | Fire Engine | $ 200,000 | $ - | $ 33,333 | 591.22.71 | $ 166,667 |
| Vacation | Compensated Leave | | | | | $ 335,476 |
| Sick | Compensated Leave | | | | | $ 159,702 |





The accompanying Notes are an integral part of this schedule.

Clark County FIRE & RESCUE

# SCHEDULE of LONG TERM LIABILITIES

For the Year Ended December 31, 2009

MCAG No. 2959
Clark County Fire Rescue

| Description ID No. | Date of Orignal Issue | Date of Maturity | Beginning Outstanding Debt 1-Jan-09 | Amount Issued in 2009 | Amount Redeemed in 2009 | BARS Receipt Code | Receiving Fund Number | BARS Redemption Coding | Redeeming Fund Number | Ending Outstanding Debt 31-Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bank of New York CLAFIR1299 | Dec-1999 | Dec-2009 | $ 120,000 | $ - | $ 120,000 | | | 591.22.71 | 222 | $ - |
| Bank of New York CLAFIR1299 REFUND | Apr-2005 | Dec-2019 | $ 2,070,000 | $ - | $ - | | | 591.22.71 | 222 | $ 2,070,000 |
| 1st Independent Equipment 2004-1 | Feb-2004 | Feb-2010 | $ 25,000 | $ - | $ 12,500 | | | 591.22.71 | 220 | $ 12,500 |
| 1st Independent Milistefr Contract* | Jun-2004 | Jun-2014 | $ 261,360 | $ - | $ 26,136 | | | 591.22.71 | 222 | $ 235,224 |
| 1st Independent Truck Refinance | Mar-2004 | Jun-2013 | $ 257,957 | $ - | $ 53,539 | | | 591.22.71 | 222 | $ 204,418 |
| 1st Independent Station 21 2005-1 | Jan-2005 | Dec-2024 | $ 2,513,368 | $ - | $ 105,438 | | | 591.22.71 | 222 | $ 2,407,930 |
| 1st Independent Equipment 2005-1 | Sep-2005 | Mar-2009 | $ 21,250 | $ - | $ 21,250 | | | 591.22.71 | 220 | $ - |
| 1st Independent Station 22 2006-1 | Sep-2006 | Sep-2021 | $ 850,000 | $ - | $ 50,000 | | | 591.22.71 | 220 | $ 800,000 |
| 1st Independent Rescue 2007-1 | May-2007 | May-2015 | $ 259,000 | $ - | $ 37,000 | | | 591.22.71 | 220 | $ 222,000 |
| 1st Independent Engine 2009-1 | Aug-2009 | Aug-2015 | $ - | $ 200,000 | $ - | 391.10.00 | 028 | 591.22.71 | 220 | $ 200,000 |

* Asset purchase - real property



The accompanying Notes are an integral part of this schedule.

# SCHEDULE of EXPENDITURES of FEDERAL AWARDS

For the Year Ended December 31, 2011

| Federal Agency Name Pass-Through Agency Name | Federal Program Name | CFDA No. | Other ID No. | Expenditures From Pass-Through Awards | Expenditures From Direct Awards | Expenditures Total |
|---|---|---|---|---|---|---|
| US Dept of Homeland Security | SAFER | 97.083 | EMW-2007-FF-00737 | | $ 50,618 | $ 50,618 |
| US Dept of Homeland Security | SAFER | 97.083 | EMW-2010-FF-00493 | | $ 33,179 | $ 33,179 |
| US Dept of Homeland Security | AFG | 97.044 | EMW-2010-FO-08457 | | $ 95,342 | $ 95,342 |
| US Dept of Homeland Security<br>Merchants Exchange of Portland | Port Security Grant Program | 97.056 | 2010-PU-T0-5052 | $ 351,000 | | $ 351,000 |
| DHS Region IV | Homeland Security Grant Program | 97.001 | FY09-E10-022 | $ 964 | | $ 964 |
| DHS Region IV | Homeland Security Grant Program | 97.067 | FY09-E10-190 | $ 5,060 | | $ 5,060 |
| DHS Region IV | Homeland Security Grant Program | 97.067 | FY10-E11-108 | $ 22,264 | | $ 22,264 |
| | | | | **$ 379,288** | **$ 179,139** | **$ 558,427** |

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the District's financial statements. The District uses the basis accounting as described on page ii of the accompanying Notes.

NOTE - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the District's portion, are more than shown.



The accompanying Notes are an integral part of this schedule.

# ABOUT THE STATE AUDITOR'S OFFICE

**T**he 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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

| | |
|---|---|
| **State Auditor** | **Brian Sonntag, CGFM** |
| **Chief of Staff** | **Ted Rutt** |
| **Deputy Chief of Staff** | **Doug Cochran** |
| **Chief Policy Advisor** | **Jerry Pugnetti** |
| **Director of Audit** | **Chuck Pfeil, CPA** |
| **Director of Performance Audit** | **Larisa Benson** |
| **Director of Special Investigations** | **Jim Brittain, CPA** |
| **Director for Legal Affairs** | **Jan Jutte, CPA, CGFM** |
| **Director of Quality Assurance** | **Ivan Dansereau** |
| **Local Government Liaison** | **Mike Murphy** |
| **Communications Director** | **Mindy Chambers** |
| **Public Records Officer** | **Mary Leider** |
| **Main number** | **(360) 902-0370** |
| **Toll-free Citizen Hotline** | **(866) 902-3900** |

**Website** **www.sao.wa.gov**
**Subscription Service** **https://www.sao.wa.gov/EN/News/Subscriptions/**

## Washington State Auditor's Office

### Accountability Audit Report

# Clark County Fire and Rescue

Report Date
**October 10, 2012**

**Report No. 1008658**

Issue Date
**December 3, 2012**

WASHINGTON
BRIAN SONNTAG
STATE AUDITOR

# Washington State Auditor
# Brian Sonntag

December 3, 2012

Board of Commissioners
Clark County Fire and Rescue
Ridgefield, Washington

## *Report on Accountability*

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Clark County Fire and Rescue's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

**BRIAN SONNTAG, CGFM**
STATE AUDITOR

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**Clark County Fire and Rescue**
**October 10, 2012**

Audit Summary ..... 1

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# Audit Summary

**Clark County Fire and Rescue**
**October 10, 2012**

## *ABOUT THE AUDIT*

This report contains the results of our independent accountability audit of Clark County Fire and Rescue from January 1, 2009 through December 31, 2011.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Payroll/personnel
- Procurement (bidding/prevailing wage)
- Payments/expenditures
- Citizen concern

## *RESULTS*

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

# Related Reports

## Clark County Fire and Rescue
## October 10, 2012

### *FINANCIAL*

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

### *FEDERAL GRANT PROGRAMS*

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

# Description of the District

**Clark County Fire and Rescue**
**October 10, 2012**

## *ABOUT THE DISTRICT*

In February 2008, the Boards of Fire Commissioners from Clark County Fire Protection Districts No. 11 and No. 12 voted to consolidate operations of the two organizations into one agency known as Clark County Fire & Rescue. In November 2008, the voters approved the official merger of the two districts effective January 1, 2009. With the merger, the two three-member Boards combined to govern the District until November 2009, when the voters approved to move to a five-member Board of Commissioners.

The District serves 120 square miles and approximately 45,000 citizens. It provides fire prevention and suppression services by protecting life and property through preparation, prevention, education and response.

The Board appoints a Fire Chief to oversee the District's daily operations as well as its 49 full-time firefighters and administrative personnel and six part-time firefighters. The District operates on annual budgets of approximately $8 million.

## *ELECTED OFFICIALS*

These officials served during the audit period:

| | |
|---|---|
| Board of Commissioners: | Jerry Kolke |
| | Jon Babcock |
| | William Hargett (through November 2009) |
| | Michael Lambrecht |
| | Linn "Penny" Dollar (through March 2009) |
| | Bob Johnson |
| | Mike Nolan (March 2010 - June 2010) |
| | Richard Britschgi (effective September 2010) |

## *APPOINTED OFFICIALS*

| | |
|---|---|
| Fire Chief | Dennis Mason |
| Deputy Chief | Daniel Yager |

## *DISTRICT CONTACT INFORMATION*

| | |
|---|---|
| Address: | Clark County Fire and Rescue<br>911 N.E. 65th Avenue<br>Ridgefield, WA 98642 |
| Phone: | (360) 887-4609 |
| Website: | www.clarkfr.org |

## *AUDIT HISTORY*

Typically, we audit the District every two years. However, this audit covers three years to include a review of the District's federal program. The District has a history of audit reports free of reportable conditions.

# ABOUT THE STATE AUDITOR'S OFFICE

**T**he 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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

| | |
|---|---|
| **State Auditor** | **Brian Sonntag, CGFM** |
| **Chief of Staff** | **Ted Rutt** |
| **Deputy Chief of Staff** | **Doug Cochran** |
| **Chief Policy Advisor** | **Jerry Pugnetti** |
| **Director of Audit** | **Chuck Pfeil, CPA** |
| **Director of Performance Audit** | **Larisa Benson** |
| **Director of Special Investigations** | **Jim Brittain, CPA** |
| **Director for Legal Affairs** | **Jan Jutte, CPA, CGFM** |
| **Director of Quality Assurance** | **Ivan Dansereau** |
| **Local Government Liaison** | **Mike Murphy** |
| **Communications Director** | **Mindy Chambers** |
| **Public Records Officer** | **Mary Leider** |
| **Main number** | **(360) 902-0370** |
| **Toll-free Citizen Hotline** | **(866) 902-3900** |

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