



Office of the Washington State Auditor  
Pat McCarthy

# **Financial Statements Audit Report**

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

### **(East Jefferson Fire Rescue)**

**For the period January 1, 2021 through December 31, 2023**

*Published October 3, 2024*

Report No. 1035638



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

October 3, 2024

Board of Commissioners  
East Jefferson Fire Rescue  
Port Townsend, Washington

**Report on Financial Statements**

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

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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## INDEPENDENT AUDITOR'S REPORT

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

#### **East Jefferson Fire Rescue January 1, 2021 through December 31, 2023**

Board of Commissioners  
East Jefferson Fire Rescue  
Port Townsend, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of East Jefferson Fire Rescue, as of and for the years ended December 31, 2023, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 26, 2024.

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

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

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

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

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

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

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

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

## **PURPOSE OF THIS REPORT**

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **East Jefferson Fire Rescue January 1, 2021 through December 31, 2023**

Board of Commissioners  
East Jefferson Fire Rescue  
Port Townsend, Washington

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

### **Unmodified and Adverse Opinions**

We have audited the financial statements of East Jefferson Fire Rescue, as of and for the years ended December 31, 2023, 2022 and 2021, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of East Jefferson Fire Rescue, and its changes in cash and investments, for the years ended December 31, 2023, 2022 and 2021, on the basis of accounting described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of East Jefferson Fire Rescue, as of December 31, 2023, 2022 and 2021, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the District in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Matter of Emphasis**

As discussed in Note 5 to the 2022 financial statements, in 2022, the District adopted new accounting guidance for the presentation and disclosure of leases as required by the BARS Manual. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other

records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of the District's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2024

## **FINANCIAL SECTION**

### **East Jefferson Fire Rescue January 1, 2021 through December 31, 2023**

#### **FINANCIAL STATEMENTS**

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**Jefferson County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>Total for All Funds (Memo Only)</b>	<b>001 Fire Fund #656001010</b>	<b>101 EMS Fund #657001100</b>	<b>219 LTGO BOND 2019 FUND</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	7,102,530	3,950,698	3,151,832	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	9,126,847	6,488,755	2,638,092	-
320	Licenses and Permits	3,600	3,600	-	-
330	Intergovernmental Revenues	1,491,711	364,568	1,127,143	-
340	Charges for Goods and Services	1,873,603	95,438	1,778,165	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	787,185	665,053	122,132	-
Total Revenues:		13,282,946	7,617,414	5,665,532	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	13,368,903	7,015,123	6,353,780	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		13,368,903	7,015,123	6,353,780	-
Excess (Deficiency) Revenues over Expenditures:		(85,957)	602,291	(688,248)	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	356,223	-	-	356,223
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	262,774	197,461	65,313	-
Total Other Increases in Fund Resources:		618,997	197,461	65,313	356,223
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	125,933	125,933	-	-
591-593, 599	Debt Service	578,217	32,373	189,621	356,223
597	Transfers-Out	356,223	356,223	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,060,373	514,529	189,621	356,223
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(527,333)</b>	<b>285,223</b>	<b>(812,556)</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	2,339,283	-	2,339,283	-
50891	Unassigned	4,235,918	4,235,918	-	-
<b>Total Ending Cash and Investments</b>		<b>6,575,201</b>	<b>4,235,918</b>	<b>2,339,283</b>	<b>-</b>

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

**Jefferson County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>Total for All Funds (Memo Only)</b>	<b>001 Fire Fund #656001010</b>	<b>101 EMS Fund #657001100</b>	<b>219 LTGO BOND 2019 FUND</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	5,091,077	2,598,642	2,492,435	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	6,467,748	4,536,601	1,931,147	-
320	Licenses and Permits	2,400	2,400	-	-
330	Intergovernmental Revenues	861,898	47,944	813,954	-
340	Charges for Goods and Services	1,831,701	343,845	1,487,856	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	192,439	115,349	77,090	-
Total Revenues:		9,356,186	5,046,139	4,310,047	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	9,462,903	4,957,635	4,505,268	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		9,462,903	4,957,635	4,505,268	-
Excess (Deficiency) Revenues over Expenditures:		(106,717)	88,504	(195,221)	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	554,615	-	200,000	354,615
385	Special or Extraordinary Items	3,201,234	2,132,110	1,069,124	-
381, 382, 389, 395, 398	Other Resources	4,907	4,907	-	-
Total Other Increases in Fund Resources:		3,760,756	2,137,017	1,269,124	354,615
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	514,067	289,179	224,888	-
591-593, 599	Debt Service	573,787	29,551	189,621	354,615
597	Transfers-Out	554,615	554,615	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,642,469	873,345	414,509	354,615
<b>Increase (Decrease) in Cash and Investments:</b>		<b>2,011,570</b>	<b>1,352,176</b>	<b>659,394</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	3,151,832	-	3,151,832	-
50891	Unassigned	3,950,816	3,950,816	-	-
<b>Total Ending Cash and Investments</b>		<b>7,102,648</b>	<b>3,950,816</b>	<b>3,151,832</b>	<b>-</b>

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

**Jefferson County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>Total for All Funds (Memo Only)</b>	<b>001 Fire Fund #656001010</b>	<b>101 EMS Fund #657001100</b>	<b>219 LTGO BOND 2019 FUND</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	4,858,925	2,675,013	2,183,912	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	6,346,291	4,451,668	1,894,623	-
320	Licenses and Permits	2,000	2,000	-	-
330	Intergovernmental Revenues	958,055	56,804	901,251	-
340	Charges for Goods and Services	1,477,121	141,624	1,335,497	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	77,546	55,932	21,614	-
Total Revenues:		8,861,013	4,708,028	4,152,985	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	8,007,604	4,298,365	3,709,239	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		8,007,604	4,298,365	3,709,239	-
Excess (Deficiency) Revenues over Expenditures:		853,409	409,663	443,746	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	352,805	-	-	352,805
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		352,805	-	-	352,805
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	268,459	133,236	135,223	-
591-593, 599	Debt Service	352,805	-	-	352,805
597	Transfers-Out	352,805	352,805	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		974,069	486,041	135,223	352,805
<b>Increase (Decrease) in Cash and Investments:</b>		<b>232,145</b>	<b>(76,378)</b>	<b>308,523</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	2,492,435	-	2,492,435	-
50891	Unassigned	2,598,642	2,598,642	-	-
<b>Total Ending Cash and Investments</b>		<b>5,091,077</b>	<b>2,598,642</b>	<b>2,492,435</b>	<b>-</b>

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

**Jefferson Co Fire Protection District No. 1**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

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

Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue was incorporated in 1948 and operates under the laws of the state of Washington applicable to a fire district. The district is a special purpose local government and provides fire protection/suppression services and emergency medical services to the general public and is supported primarily through property taxes.

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

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

**A. Fund Accounting**

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

**GOVERNMENTAL FUND TYPES:**

**General Fund**

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

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

**Jefferson Co Fire Protection District No. 1**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

IAFF Local 2032 Labor Agreement: Article 25 VACATION

Vacation leave compensation paid according to current Union contract and/or according to contract agreement for non-union members. Per current contract, upon termination or retirement, the employee shall be compensated for any unused vacation time at their regular rate of pay. For Union employees only, no more than one hour may carry-over from one year to the next. Any unused vacation, on the last pay period of the year, shall be dispersed in the following way: Vacation hours will be multiplied by the effected employee's regular hourly wage and 50% will be deposited into the said employee's HRA VEBA account. The remaining 50% will be cashed out in the last paycheck of the year. The District's estimated liability for vacation leave termination benefits on December 31, 2023 was \$85,748.58.

IAFF Local 2032 Labor Agreement: Article 18 SICK LEAVE

Sick leave compensation paid according to current Union contract and by contractual agreement for nonunion members. The maximum amount of sick leave that an employee may carry is 1,440 hours. Excess hours will be paid out to the employee's HRA VEBA account at a rate of 50% of the affected employee's hourly rate. Upon retirement, layoff or other voluntary separation of employment, any accrued sick leave of 1,440 hours shall be reimbursed at 50% of the affected employee's hourly rate of pay. No payment shall be made if employee is terminated. The District's estimated liability for sick leave benefits on December 31, 2023, was \$818,521.90.

IAFF Local 2032 Labor Agreement: Article 14 OVERTIME AND CALLBACK

Any employee entitled to overtime pay under this Article may elect to receive compensatory time at the rate of time and one-half in lieu of monetary payment at the same rate. Compensatory time may be accrued up to a maximum of two-hundred-forty (240) hours. Compensatory time shall be allowed to be carried over from one year to the next. Upon termination or retirement, employees shall be compensated for all compensatory hours accrued at their regular hourly rate of pay. The District's estimated liability for compensatory time on December 31, 2023 was \$191,007.64.



352MCAG No 1119  
**Jefferson Co Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

Severance packages for Chief Officers and Admin Staff are defined by personal contract and the District's estimated liability as of December 31, 2023, was \$587,362.41.

Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6 – *Long Term Debt*.

**Note 2 - Budget Compliance**

The District adopts annual appropriated budgets for two funds (General Fire and EMS). These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Fire Dist. 1 General includes supplemental	\$ 8,013,577	\$ 7,969,056	\$ 44,521
Fire Dist. 1 EMS	\$ 6,749,152	\$ 6,543,397	\$205,755
Totals	\$14,762,729	\$14,512,453	\$250,276

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

**Note 3 - COVID-19 Pandemic**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The District continues to proactively implement safety measures, and operations have continued with admin staff working a combination of in office and remote. Management continues to monitor the

**Jefferson Co Fire Protection District No. 1****Notes to the Financial Statements  
For the Year Ended December 31, 2023**

situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the District has not experienced any significant direct financial impacts due to the pandemic.

The 2023 response to the pandemic includes: facilities were closed to the public and now are back open. Board meetings became a hybrid of in-person and virtual. Activities that had been limited or temporarily curtailed started again. The District continues to operate all major functions and meet its public mandates. The District has remained economically stable and continues to adapt to the changing conditions.

The length of time these relaxed measures will continue are flexible depending on the COVID climate, and the full extent of the financial impact on the district is fluid.

We received a FEMA pass through grant administered by WA MIL that reimbursed our receipts for COVID expenditures. (see below)

ALN#	Program Title	Total
97.036	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$204,979.16

**Note 4 - Deposits and Investments**

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2021 are as follows:

Type of deposit or investment	<u>District's own</u> deposits and investments
Local Government Investment Pool	\$6,575,201.44
<b>Total</b>	<b>\$6,575,201.44</b>

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

**Investments in the State Local Government Investment Pool (LGIP)**

The district is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

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

**Jefferson Co Fire Protection District No. 1****Notes to the Financial Statements  
For the Year Ended December 31, 2023**Investments in Jefferson County investment pool

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

Custodial Credit Risk

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

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

**Note 5 - Leases**

The District participates in the Flex Financial lease program from Stryker for 8 power cots, 8 LifePaks, 10 AEDs and 8 stair chairs that outfit all the District ambulances. The lease began in February 2022 with a 10-year term and \$173,805 annual payment.

The total amount paid for this lease in 2023 was \$173,805. As of December 31, 2023, the future lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2024	\$173,805
2025	\$173,805
2026	\$173,805
2027	\$173,805
2028-2032	\$695,220
<b>Total</b>	<b>\$1,390,440</b>

The District leases space for administrative office from Olympic Storage.

The total amount paid for this lease in 2023 was \$27,000. As of December 31, 2023, the future lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2024	\$22,500
<b>Total</b>	<b>\$22,500</b>

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**Jefferson Co Fire Protection District No. 1**  
**Notes to the Financial Statements**  
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The District has a NASPO Lease with Canon for their copy machine.

The total amount paid for this lease in 2023 was \$5,139. As of December 31, 2023, the future lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2024	\$2,118
Total	\$2,118

**Note 6 - Long-Term Debt** *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2023.

The debt service requirements for general obligation bonds are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 300,000.00	\$ 56,222.50	\$ 356,222.50
2024	\$ 300,000.00	\$ 52,622.50	\$ 352,622.50
2025	\$ 305,000.00	\$ 48,872.50	\$ 353,872.50
2026	\$ 305,000.00	\$ 44,907.50	\$ 349,907.50
2027	\$ 310,000.00	\$ 40,790.00	\$ 350,790.00
2028 - 2032	\$1,435,000.00	\$102,100.00	\$1,537,100.00
<b>Total</b>	<b>\$2,955,000.00</b>	<b>\$345,515.00</b>	<b>\$3,300,515.00</b>

**Note 7 - Pension Plans**

**A. State Sponsored Pension Plans**

Substantially all Jefferson County Fire Protection District No. 1's full-time and qualifying part-time employees participate in the following statewide retirement system plans, LEOFF II, PERS II or PERS III administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

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

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

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**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](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 ACFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

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

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 (District 1)	11,163	.001638%	\$37,391
PERS 1 (District 3)	1,883	.000276%	\$6,300
PERS 2/3 (District 1)	18,560	.002111%	(\$86,523)
PERS 2/3 (District 3)	3,160	.000359%	(\$14,714)
LEOFF 2 (District 1)	325,157.84	.144056%	(\$3,455,324)
LEOFF 2 (District 3)	44,182.25	.019574	(\$469,502)
VFFRPF (District 1)	390	0.22%	(\$44,634.45)
VFFRPF (District 3)	210	0.12%	(\$24,033.94)

#### LEOFF Plan 2

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

#### Note 8 - Property Tax

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

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

**Jefferson Co Fire Protection District No. 1****Notes to the Financial Statements  
For the Year Ended December 31, 2023**

Jefferson County Fire Protection District 1 merged with Jefferson County Fire Protection District 3 as of January 1, 2023 so both District levy amounts are reported. Jefferson County Fire Protection District No. 1's regular levy for the year 2022 for collection in 2023 was \$.84627 per \$1,000 on an assessed valuation of 5,493,067,377 for a total regular levy of \$4,648,653.03. Jefferson County Fire Protection District No. 1's EMS levy for the year 2022 for collection in 2023 was \$0.35999 per \$1,000 on an assessed valuation of 5,496,839,855 for a total EMS levy of \$1,978,808.72. Jefferson County Fire Protection District No. 3's regular levy for the year 2022 for collection in 2023 was \$1.02203 per \$1,000 on an assessed valuation of 1,848,738,197 for a total regular levy of \$1,889,416.45. Jefferson County Fire Protection District No. 3's EMS levy for the year 2022 for collection in 2023 was \$0.36536 per \$1,000 on an assessed valuation of 1,853,277,965 for a total EMS levy of \$677,127.25.

**Note 9 - Risk Management**

The District purchases its property and liability insurance coverage from Emergency Services Insurance Program (ESIP). There are no deductibles unless noted.

**Limits of Insurance**

Building & Personal Property Blanket Limit (\$2,500 single occurrence deductible)	\$14,911,458
General Liability (\$1,000,000 per Occurrence & \$10,000,000 Aggregate)	\$10,000,000
Crime: Employee Theft – Blanket Limit	\$ 100,000
Crime: Credit Card Forgery (\$250 deductible)	\$ 10,000
Business Auto (\$2,000 deductible)	\$ 1,000,000
Portable Equipment (\$500 single occurrence deductible)	Guaranteed Replacement Cost
Umbrella Liability (\$8,000,000 per Occurrence & \$16,000,000 Aggregate)	\$16,000,000

The District participates in Unemployment Compensation (ESD) and Workers Compensation (L&I).

**Note 10 - Other Disclosures**

The City of Port Townsend was annexed to the Fire District with the passing of Proposition 1 voted in by the people in February 2019.

The 2010 and 2013 Bonds were refinanced and consolidated into the 2019 bond in September 2019. (See Note 6)

The District has an Interlocal agreement with JeffCom to provide emergency dispatching, communications and other public safety services.

The District has an MOU with Jefferson Healthcare to provide inter-facility transports. The money received in 2023 was \$51,007.49 and \$4,192.45 in ferry reimbursements. This MOU ended mid-May of 2023.

**Jefferson Co Fire Protection District No. 1**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

The District is a member of the EMS Special Agency Fund Interlocal Agreement with Fire Districts #1, 2, 4 and 5 in Jefferson County. The parties to this agreement participate in cooperative funding for contribution to the Emergency Medical Services (EMS) Special Agency Fund to provide financial compensation for the following contractor positions: Jefferson County Medical Program Director (MPD), Jefferson County Emergency Medical Services Training Coordinator, and the Eastern Jefferson County EMS & Trauma Care Council Secretary/Treasurer/Clerk.

The District has an ILA with Jefferson County Fire Protection District 2 for ALS services.

In 2023, Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue received COVID-19 non-grant assistance in the amounts of \$204,979.16.

Port Ludlow Fire & Rescue (Jefferson County Fire Protection No 3) merged into East Jefferson Fire Rescue (Jefferson County Fire Protection District No 1) as of January 1, 2023. All assets and liabilities were transferred to East Jefferson Fire Rescue the last day of 2022.

In February 2023 Jefferson County Fire Protection District No. 1 ran a levy lid lift for both Fire and EMS. The lid lifts were both successful. The new rates are as follows: Fire Levy is \$1.30 per \$1,000 on assessed valuation and the EMS Levy is \$.50 per \$1,000 on assessed value.

**Jefferson Co Fire Protection District No. 1**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

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

Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue was incorporated in 1948 and operates under the laws of the state of Washington applicable to a fire district. The district is a special purpose local government and provides fire protection/suppression services and emergency medical services to the general public and is supported primarily through property taxes.

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

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

**A. Fund Accounting**

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

**GOVERNMENTAL FUND TYPES:**

**General Fund**

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

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.



**Jefferson Co Fire Protection District No. 1**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

IAFF Local 2032 Labor Agreement: Article 25 VACATION

Vacation leave compensation paid according to current Union contract and/or according to contract agreement for non-union members. Per current contract, upon termination or retirement, the employee shall be compensated for any unused vacation time at their regular rate of pay. For Union employees only, no more than one hour may carry-over from one year to the next. Any unused vacation, on the last pay period of the year, shall be dispersed in the following way: Vacation hours will be multiplied by the effected employee's regular hourly wage and 50% will be deposited into the said employee's HRA VEBA account. The remaining 50% will be cashed out in the last paycheck of the year. The District's estimated liability for vacation leave termination benefits on December 31, 2022 was \$42,806.63.

IAFF Local 2032 Labor Agreement: Article 18 SICK LEAVE

Sick leave compensation paid according to current Union contract and by contractual agreement for nonunion members. The maximum amount of sick leave that an employee may carry is 1,440 hours. Excess hours will be paid out to the employee's HRA VEBA account at a rate of 50% of the affected employee's hourly rate. Upon retirement, layoff or other voluntary separation of employment, any accrued sick leave of 1,440 hours shall be reimbursed at 50% of the affected employee's hourly rate of pay. No payment shall be made if employee is terminated. The District's estimated liability for sick leave benefits on December 31, 2022, was \$638,436.95.

IAFF Local 2032 Labor Agreement: Article 14 OVERTIME AND CALLBACK

Any employee entitled to overtime pay under this Article may elect to receive compensatory time at the rate of time and one-half in lieu of monetary payment at the same rate. Compensatory time may be accrued up to a maximum of two-hundred-forty (240) hours. Compensatory time shall be allowed to be carried over from one year to the next. Upon termination or retirement, employees shall be compensated for all compensatory hours accrued at their regular hourly rate of pay. The District's estimated liability for compensatory time on December 31, 2022 was \$165,849.03.

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**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

Severance packages for Chief Officers and Admin Staff are defined by personal contract and the District's estimated liability as of December 31, 2022, was \$460,403.14.

Payments are recognized as expenditures when paid.

**F. Long-Term Debt**

See Note 6 – *Long Term Debt*.

**Note 2 - Budget Compliance**

The District adopts annual appropriated budgets for two funds (General Fire and EMS). These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Fire Dist. 1 General	\$ 6,197,467	\$5,630,763	\$566,704
Fire Dist. 1 EMS	\$ 4,973,293	\$4,919,775	\$ 53,518
Totals	\$11,170,760	\$10,550,538	\$620,222

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

**Note 3 – COVID-19 Pandemic**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The District continues to proactively implement safety measures, and operations have continued with admin staff working a combination of in office and remote. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the District has not experienced any significant direct financial impacts due to the pandemic.

**Jefferson Co Fire Protection District No. 1****Notes to the Financial Statements  
For the Year Ended December 31, 2022**

The 2022 response to the pandemic includes: facilities were still closed to the public and Board meetings were held virtually. In October the Board meetings became a hybrid of in-person and virtual. While some activities have been limited or temporarily curtailed, the District continues to operate all major functions and meet its public mandates. The District has remained economically stable and continues to adapt to the changing conditions.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the district is unknown at this time.

We received a FEMA pass through grant administered by WA MIL that reimbursed our receipts for COVID expenditures. (see below)

ALN#	Program Title	Total
97.036	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$37,438

**Note 4 – Deposits and Investments**

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2021 are as follows:

Type of deposit or investment	<u>District's own</u> deposits and investments
Local Government Investment Pool	\$7,102,530.67
<b>Total</b>	<b>\$7,102,530.67</b>

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

**Investments in the State Local Government Investment Pool (LGIP)**

The district is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

**Jefferson Co Fire Protection District No. 1****Notes to the Financial Statements  
For the Year Ended December 31, 2022**

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

**Investments in Jefferson County investment pool**

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

**Custodial Credit Risk**

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

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

**Note 5 – Leases**

During the year ended 2022, the District adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The District participates in the Flex Financial lease program from Stryker for 8 power cots, 8 LifePaks, 10 AEDs and 8 stair chairs that outfit all the District ambulances. The lease began in February 2022 with a 10-year term and \$173,805 annual payment.

The total amount paid for this lease in 2022 was \$173,805. As of December 31, 2022, the future lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2023	\$173,805
2024	\$173,805
2025	\$173,805
2026	\$173,805
2027	\$173,805
2028-2032	\$695,220
<b>Total</b>	<b>\$1,564,245</b>

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**Jefferson Co Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

The District leases space for administrative office from Olympic Storage.

The total amount paid for this lease in 2022 was \$27,000. As of December 31, 2022, the future lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2023	\$27,000
2024	\$22,500
<b>Total</b>	<b>\$49,500</b>

The District has a NASPO Lease with Canon for their copy machine.

The total amount paid for this lease in 2022 was \$2158.56. As of December 31, 2022, the future lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2023	\$2,158.56
2024	\$1,618.92
<b>Total</b>	<b>\$3,777.48</b>

**Note 6 - Long-Term Debt** *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation bonds are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 295,000.00	\$ 59,615.00	\$ 354,615.00
2023	\$ 300,000.00	\$ 56,222.50	\$ 356,222.50
2024	\$ 300,000.00	\$ 52,622.50	\$ 352,622.50
2025	\$ 305,000.00	\$ 48,872.50	\$ 353,872.50
2026	\$ 305,000.00	\$ 44,907.50	\$ 349,907.50
2027 - 2031	\$1,585,000.00	\$138,090.00	\$1,723,090.00
2032	\$ 160,000.00	\$ 4,800.00	\$ 164,800.00
<b>Total</b>	<b>\$3,250,000.00</b>	<b>\$405,130.00</b>	<b>\$3,655,130.00</b>

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**Jefferson Co Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**Note 7 – Pension Plans**

A. State Sponsored Pension Plans

Substantially all Jefferson County Fire Protection District No. 1's full-time and qualifying part-time employees participate in the following statewide retirement system plans, LEOFF II, PERS II or PERS III administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

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

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

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

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](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 ACFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

At June 30, 2022 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 Dist 1	7,753.32	.001265%	\$35,222
PERS 2/3 Dist 1	13,260.48	.001643%	(\$60,935)
LEOFF 2 Dist 1	247,418.24	.119508%	(\$3,247,867)
VFFRPF Dist 1	780.00	0.41%	(\$115,945.72)
PERS 1 Dist 3	3392.83	0.000554%	15,425
PERS 2/3 Dist 3	5778.63	0.00071900%	(26,666)
LEOFF 2 Dist 3	71999.06	0.03477700%	(945,134)
VFFRPF Dist 3	330	0.170000%	(49,054)

**Jefferson Co Fire Protection District No. 1**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**LEOFF Plan 2**

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

**Note 8 - Property Tax**

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

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

Jefferson County Fire Protection District No. 1's regular levy for the year 2021 for collection in 2022 was \$.99942 per \$1,000 on an assessed valuation of 4,551,688,609 for a total regular levy of \$4,549,072.33. Jefferson County Fire Protection District No. 1's EMS levy for the year 2021 for collection in 2022 was \$0.42511 per \$1,000 on an assessed valuation of 4,555,205,276 for a total EMS levy of \$1,936,488.54.

**Note 9 – Risk Management**

The District purchases its property and liability insurance coverage from Emergency Services Insurance Program (ESIP). There are no deductibles unless noted.

**Limits of Insurance**

Building & Personal Property Blanket Limit (\$2,500 single occurrence deductible)	\$ 8,997,205
General Liability (\$1,000,000 per Occurrence & \$10,000,000 Aggregate)	\$10,000,000
Crime: Employee Theft – Blanket Limit	\$ 100,000
Crime: Credit Card Forgery (\$250 deductible)	\$ 10,000
Business Auto (\$2,000 deductible)	\$ 1,000,000
Portable Equipment (\$500 single occurrence deductible)	Guaranteed Replacement Cost
Umbrella Liability (\$8,000,000 per Occurrence & \$16,000,000 Aggregate)	\$16,000,000

The District participates in Unemployment Compensation (ESD) and Workers Compensation (L&I).

**Jefferson Co Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**Note 10 – Other Disclosures**

The City of Port Townsend was annexed to the Fire District with the passing of Proposition 1 voted in by the people in February 2019.

The District has an Interlocal agreement with JeffCom to provide emergency dispatching, communications and other public safety services.

The District has an MOU with Jefferson Healthcare to provide inter-facility transports. The money received in 2022 was \$100,000.00 and \$6,012.00 in ferry reimbursements.

The District is a member of the EMS Special Agency Fund Interlocal Agreement with Fire Districts #1-5 in Jefferson County. The parties to this agreement participate in cooperative funding for contribution to the Emergency Medical Services (EMS) Special Agency Fund to provide financial compensation for the following contractor positions: Jefferson County Medical Program Director (MPD), Jefferson County Emergency Medical Services Training Coordinator, and the Eastern Jefferson County EMS & Trauma Care Council Secretary/Treasurer/Clerk.

The 2010 and 2013 Bonds were refinanced and consolidated into the 2019 bond in September 2019. (See Note 6)

August 29, 2022, Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue received COVID-19 non-grant assistance in the amounts of \$37,438.34.

In May of 2021 the District began an Interlocal agreement with Jefferson County Fire Protection District 3, d.b.a. Port Ludlow Fire & Rescue (PLFR) for Duty Chief services at a rate of \$4,500 a month. September of 2021 the Interlocal agreement with Jefferson County Fire Protection District 3, d.b.a. Port Ludlow Fire & Rescue (PLFR) evolved to services where EJFR agreed to provide administrative and management services to PLFR by utilizing EJFR's Fire Chief, administrative staff and organization. There is a tiered payment schedule. Tier one for 2021 was \$14,500 per month. Tier two started January 1, 2022 and was \$19,760 per month.

Port Ludlow Fire & Rescue (Jefferson County Fire Protection No 3) merged into East Jefferson Fire Rescue (Jefferson County Fire Protection District No 1) as of January 1, 2023. All assets and liabilities were transferred to East Jefferson Fire Rescue the last day of 2022.



352MCAG No 1119  
**Jefferson Co Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

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

Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue was incorporated in 1948 and operates under the laws of the state of Washington applicable to a fire district. The district is a special purpose local government and provides fire protection/suppression services and emergency medical services to the general public and is supported primarily through property taxes.

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

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

**A. Fund Accounting**

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

**GOVERNMENTAL FUND TYPES:**

**General Fund**

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

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

#### Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

#### Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

#### B. Basis of Accounting and Measurement Focus

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

#### C. Cash and Investments

See Note 4 - *Deposits and Investments*.

#### D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when purchased.

#### E. Compensated Absences

IAFF Local 2032 Labor Agreement: Article 25 VACATION

Vacation leave compensation paid according to current Union contract and/or according to contract agreement for non-union members. Per current contract, upon termination or retirement, the employee shall be compensated for any unused vacation time at their regular rate of pay. For Union employees only, no more than one hour may carry-over from one year to the next. Any unused vacation, on the last pay period of the year, shall be dispersed in the following way: Vacation hours will be multiplied by the effected employee's regular hourly wage and 50% will be deposited into the said employee's HRA VEBA account. The remaining 50% will be cashed out in the last paycheck of the year. The District's estimated liability for vacation leave termination benefits on December 31, 2021 was \$53,880.03.

IAFF Local 2032 Labor Agreement: Article 18 SICK LEAVE

Sick leave compensation paid according to current Union contract and by contractual agreement for nonunion members. The maximum amount of sick leave that an employee may carry is 1,440 hours. Excess hours will be paid out to the employee's HRA VEBA account at a rate of 50% of the affected employee's hourly rate. Upon retirement, layoff or other voluntary separation of employment, any accrued sick leave of 1,440 hours shall be reimbursed at 50% of the affected employee's hourly rate of pay. No payment shall be made if employee is terminated. The District's estimated liability for sick leave benefits on December 31, 2021, was \$504,345.46.

IAFF Local 2032 Labor Agreement: Article 14 OVERTIME AND CALLBACK

Any employee entitled to overtime pay under this Article may elect to receive compensatory time at the rate of time and one-half in lieu of monetary payment at the same rate. Compensatory time may be accrued up to a maximum of two-hundred-forty (240) hours. Compensatory time shall be allowed to be carried over from one year to the next. Upon termination or retirement, employees shall be compensated for all compensatory hours accrued at their regular hourly rate of pay. The District's estimated liability for compensatory time on December 31, 2021 was \$172,517.98.

Severance packages for Chief Officers and Admin Staff are defined by personal contract and the District's estimated liability as of December 31, 2021, was \$408,197.77.

Payments are recognized as expenditures when paid.

#### F. Long-Term Debt

See Note 5 – *Long Term Debt*.

### **Note 2 - Budget Compliance**

The District adopts annual appropriated budgets for two funds (General Fire and EMS). These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Fire Dist. 1 General	\$5,246,245	\$4,784,398	\$461,847
Fire Dist. 1 EMS	\$4,339,305	\$3,844,462	\$494,843
Totals	\$9,585,550	\$8,628,860	\$956,690

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

### **Note 3 – COVID-19 Pandemic**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The District continues to proactively implement safety measures, and operations have continued with admin staff working a combination of in office and remote. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the District has not experienced any significant direct financial impacts due to the pandemic.

The 2021 response to the pandemic includes: facilities were still closed to the public and Board meetings were held virtually. While some activities have been limited or temporarily curtailed, the District continues to operate all major functions and meet its public mandates. The District has remained economically stable and continues to adapt to the changing conditions.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the district is unknown at this time.

We received FEMA pass through grants administered by WA MIL that reimbursed our receipts for COVID expenditures. (see below)

ALN#	Program Title	Total
97.036	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$15,048
97.036	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$45,992

#### **Note 4 – Deposits and Investments**

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2021 are as follows:

Type of deposit or investment	<u>District's own</u> deposits and investments
Local Government Investment Pool	\$5,091,076.32
<b>Total</b>	\$5,091,076.32

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

#### Investments in the State Local Government Investment Pool (LGIP)

The district is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

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

#### Investments in Jefferson County investment pool

The district is a voluntary participant in the Jefferson County investment pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The district reports its

investment in the pool at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

#### Custodial Credit Risk

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

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

#### **Note 5 – Long-Term Debt** *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended December 31, 2021.

The debt service requirements for general obligation bonds are as follows:

Year	Principal	Interest	Total
2021	\$ 290,000.00	\$ 62,805.00	\$ 352,805.00
2022	\$ 295,000.00	\$ 59,615.00	\$ 354,615.00
2023	\$ 300,000.00	\$ 56,222.50	\$ 356,222.50
2024	\$ 300,000.00	\$ 52,622.50	\$ 352,622.50
2025	\$ 305,000.00	\$ 48,872.50	\$ 353,872.50
2026 - 2030	\$1,595,000.00	\$169,347.50	\$1,764,347.50
2031 - 2032	\$ 455,000.00	\$ 18,450.00	\$ 473,450.00
<b>Total</b>	<b>\$3,540,000.00</b>	<b>\$467,935.00</b>	<b>\$4,007,935.00</b>

#### **Note 6 – Pension Plans**

##### A. State Sponsored Pension Plans

Substantially all Jefferson County Fire Protection District No. 1's full-time and qualifying part-time employees participate in the following statewide retirement system plans, LEOFF II, PERS II or PERS III administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

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

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

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

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](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 ACFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

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

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	9,060.99	.001216%	\$14,850
PERS 2/3	14,804.35	.001563%	(\$155,700)
LEOFF 2	219,658.58	.110191%	(\$6,400,349)
VFFRPF	810.00	0.42%	(\$91,631)

#### LEOFF Plan 2

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

### Note 7 - Property Tax

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

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

Jefferson County Fire Protection District No. 1's regular levy for the year 2020 for collection in 2021 was \$1.07651 per \$1,000 on an assessed valuation of 4,135,522,776 for a total regular levy of \$4,451,964.44. Jefferson County Fire Protection District No. 1's EMS levy for the year 2020 for collection in 2021 was \$0.45786 per \$1,000 on an assessed valuation of 4,138,816,548 for a total EMS levy of \$1,895,017.07.

### Note 8 – Risk Management

The District purchases its property and liability insurance coverage from Emergency Services

Insurance Program (ESIP). There are no deductibles unless noted.

Limits of Insurance

Building & Personal Property Blanket Limit (\$2,500 single occurrence deductible)	\$ 8,997,205
General Liability (\$1,000,000 per Occurrence & \$10,000,000 Aggregate)	\$10,000,000
Crime: Employee Theft – Blanket Limit	\$ 100,000
Crime: Credit Card Forgery (\$250 deductible)	\$ 10,000
Business Auto (\$2,000 deductible)	\$ 1,000,000
Portable Equipment (\$500 single occurrence deductible)	Guaranteed Replacement Cost
Umbrella Liability (\$8,000,000 per Occurrence & \$16,000,000 Aggregate)	\$16,000,000

## Note 9 – Other Disclosures

The City of Port Townsend was annexed to the Fire District with the passing of Proposition 1 voted in by the people in February 2019.

The District has an Interlocal agreement with JeffCom to provide emergency dispatching, communications and other public safety services.

The District has an MOU with Jefferson Healthcare to provide inter-facility transports. The money received in 2021 was \$100,000.00 and \$10,562.95 in ferry reimbursements.

The District is a member of the EMS Special Agency Fund Interlocal Agreement with Fire Districts #1-5 in Jefferson County. The parties to this agreement participate in cooperative funding for contribution to the Emergency Medical Services (EMS) Special Agency Fund to provide financial compensation for the following contractor positions: Jefferson County Medical Program Director (MPD), Jefferson County Emergency Medical Services Training Coordinator, and the Eastern Jefferson County EMS & Trauma Care Council Secretary/Treasurer/Clerk.

The 2010 and 2013 Bonds were refinanced and consolidated into the 2019 bond in September 2019. (See Note 5)

June 17, 2021 and December 21, 2021, Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue received COVID-19 non-grant assistance in the amounts of \$15,047.97 and \$45,991.71.

In May of 2021 the District began an Interlocal agreement with Jefferson County Fire Protection District 3, d.b.a. Port Ludlow Fire & Rescue (PLFR) for Duty Chief services at a rate of \$4,500 a month. September of 2021 the Interlocal agreement with Jefferson County Fire Protection District 3, d.b.a. Port Ludlow Fire & Rescue (PLFR) evolved to services where EJFR agreed to provide administrative and management services to PLFR by utilizing EJFR's Fire Chief, administrative staff and organization. There is a tiered payment schedule. Tier one for 2021 was \$14,500 per month.

**Jefferson County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2023**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	GO Bond Non-Voted	12/1/2032	2,955,000	-	300,000	2,655,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>2,955,000</b>	<b>-</b>	<b>300,000</b>	<b>2,655,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensatory Leave		170,810	25,159	-	195,969
259.12	Severance Agreements		460,403	126,959	-	587,362
259.12	Sick Leave		638,436	180,086	-	818,522
259.12	Vacation Leave		61,608	42,942	-	104,550
264.30	Pension Liability - PERS 1 Dist 1		35,222	2,169	-	37,391
264.30	Pension Liability - PERS 1 Dist 3		15,425	-	9,125	6,300
263.57	Leases Admin Bldg		49,500	-	27,000	22,500
263.57	Leases Canon Copier - STA 7		3,480	-	2,784	696
263.57	Leases Canon Copier - Admin		3,777	-	2,355	1,422
263.57	Leases Stryker		1,564,245	-	173,805	1,390,440
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>3,002,906</b>	<b>377,315</b>	<b>215,069</b>	<b>3,165,152</b>
<b>Total Liabilities:</b>			<b>5,957,906</b>	<b>377,315</b>	<b>515,069</b>	<b>5,820,152</b>



**Jefferson County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2022**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	GO Bond Non-Voted	12/1/2032	3,250,000	-	295,000	2,955,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>3,250,000</b>	<b>-</b>	<b>295,000</b>	<b>2,955,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensatory Leave		172,518	-	6,669	165,849
259.12	Severance Agreements		408,198	52,205	-	460,403
259.12	Sick Leave		504,345	134,091	-	638,436
259.12	Vacation Leave		53,880	-	11,073	42,807
259.12	Compensated Absences - Gov District 3		-	23,762	-	23,762
264.30	Pension Liability - PERS 1		14,850	20,372	-	35,222
264.30	Pension Liabilities District 3		-	15,425	-	15,425
263.57	Leases Admin Bldg		76,500	-	27,000	49,500
263.57	Leases Cannon Copier		5,936	-	2,159	3,777
263.57	Leases Stryker		1,738,050	-	173,805	1,564,245
263.57	Leases Cannon Copier District 3		-	3,480	-	3,480
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>2,974,277</b>	<b>249,335</b>	<b>220,706</b>	<b>3,002,906</b>
<b>Total Liabilities:</b>			<b>6,224,277</b>	<b>249,335</b>	<b>515,706</b>	<b>5,957,906</b>

**Jefferson County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2021**

<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	GO Bond Non-Voted	12/1/2032	3,540,000	-	290,000	3,250,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>3,540,000</b>	<b>-</b>	<b>290,000</b>	<b>3,250,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensatory Leave		133,483	39,035	-	172,518
259.12	Severance Agreements		283,109	125,089	-	408,198
259.12	Sick Leave		430,751	73,594	-	504,345
259.12	Vacation Leave		37,635	16,245	-	53,880
264.30	Pension Liability - PERS 1		38,200	-	23,350	14,850
264.30	Pension Liability - PERS 2/3		18,059	-	18,059	-
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>941,237</b>	<b>253,963</b>	<b>41,409</b>	<b>1,153,791</b>
<b>Total Liabilities:</b>			<b>4,481,237</b>	<b>253,963</b>	<b>331,409</b>	<b>4,403,791</b>

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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