



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, 2024 through December 31, 2024**

*Published December 18, 2025*

Report No. 1038785



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

December 18, 2025

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***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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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, 2024 through December 31, 2024**

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 year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 11, 2025.

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 audit 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

December 11, 2025

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **East Jefferson Fire Rescue January 1, 2024 through December 31, 2024**

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 year ended December 31, 2024, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

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

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

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of East Jefferson Fire Rescue, as of December 31, 2024, or the changes in financial position or cash flows thereof for the year 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 2 to the financial statements, in 2024, the District adopted new accounting guidance for presentation and disclosure of compensated absences as required by the BARS Manual. Our opinion is not modified with respect to this matter.

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

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

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



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

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

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

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

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is 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 December 11, 2025 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, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

December 11, 2025

## **FINANCIAL SECTION**

### **East Jefferson Fire Rescue January 1, 2024 through December 31, 2024**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2024  
Notes to Financial Statements – 2024

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

Schedule of Liabilities – 2024

**Jefferson County Fire Protection District No. 1**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		<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	6,575,201	4,235,918	2,339,283	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	13,987,345	10,116,749	3,870,596	-
320	Licenses and Permits	3,600	3,600	-	-
330	Intergovernmental Revenues	1,433,256	334,968	1,098,288	-
340	Charges for Goods and Services	1,616,615	25,613	1,591,002	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	457,109	259,167	197,942	-
Total Revenues:		17,497,925	10,740,097	6,757,828	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	14,423,237	8,707,761	5,715,476	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		14,423,237	8,707,761	5,715,476	-
Excess (Deficiency) Revenues over Expenditures:		3,074,688	2,032,336	1,042,352	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	352,623	-	-	352,623
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	55,733	15,003	40,730	-
Total Other Increases in Fund Resources:		408,356	15,003	40,730	352,623
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	314,848	314,848	-	-
591-593, 599	Debt Service	611,567	65,080	193,864	352,623
597	Transfers-Out	352,623	352,623	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,279,038	732,551	193,864	352,623
<b>Increase (Decrease) in Cash and Investments:</b>		<b>2,204,006</b>	<b>1,314,788</b>	<b>889,218</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	3,228,501	-	3,228,501	-
50891	Unassigned	5,550,706	5,550,706	-	-
<b>Total Ending Cash and Investments</b>		<b>8,779,207</b>	<b>5,550,706</b>	<b>3,228,501</b>	<b>-</b>

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

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

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

The Jefferson County Fire Protection District No. 1, dba East Jefferson Fire Rescue was incorporated on 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 (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are different from the ending net position classifications in GAAP.

**A. Fund Accounting**

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

**GOVERNMENTAL FUND TYPES:**

**General Fund**

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**

This fund accounts for specific revenue sources that are restricted or committed to expenditures

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

### **Notes to the Financial Statements**

#### **For the year ended December 31, 2024**

for specified purposes of the government. The District maintains the EMS Fund, a special revenue fund, which records the revenues and expenditures associated with the emergency medical services the District provides to the general public.

#### Debt Service Funds

This fund accounts for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt. The District maintains a debt service fund to service the 2019 Bond indenture. The General Fund transfers funds to the Debt Service Fund for the amount of the current debt payments.

#### 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

It is the district's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. For further information 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, 2024 was \$63,927.

##### **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, 2024, was \$1,708,913.

##### **IAFF Local 2032 Labor Agreement: Article 14 OVERTIME AND CALLBACK**

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

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, 2024 was \$274,736.

Severance packages for Chief Officers and several Admin Staff are defined by personal contract and the District's estimated liability as of December 31, 2024, was \$453,165.

Payments are recognized as expenditures when paid.

**F. Liabilities**

See Note 7 – *Long-Term Liabilities* and Note 8 – Pension Plans

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

Leases and SBITA are reported as liabilities if the term of the lease or SBITA is over 1 year. For more information see Note 5 – Leases (Lessees) and Note 6 – Subscription-Based Information Technology Arrangements - SBITA.

**Note 2 – Accounting Changes and Error Corrections**

During calendar year 2024, the district implemented GASB Statement No. 101, Compensated Absences, as required by the BARS Manual. The effect of that accounting standard is show in the Compensated Absences table in Note 7, Long-Term Liabilities.

**Note 3 – Budget Compliance**

The district adopts annual appropriated budgets for 2 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	\$ 11,072,483	\$ 9,440,312	\$ 1,632,171
Fire Dist. 1 EMS	6,862,677	5,909,340	953,337
Totals	<u>\$ 17,935,160</u>	<u>\$ 15,349,652</u>	<u>\$ 2,585,508</u>

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

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 4 – Deposits and Investments**

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2024 are as follows:

<u>Type of deposit or investment</u>	<u>District's own deposits and investments</u>
Local Government Investment Pool	\$ 8,779,207
Totals	<u>\$ 8,779,207</u>

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 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 (Lessees)**



## Jefferson County Fire Protection District No. 1

### Notes to the Financial Statements

#### For the year ended December 31, 2024

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 2024 was \$173,805. As of December 31, 2024, the future lease payments are as follows:

Year	Total
2025	\$ 173,805
2026	173,805
2027	173,805
2028	173,805
2029-2032	521,415
<i>Totals</i>	<u>\$ 1,216,635</u>

In October 2024, the District renewed its lease for the administrative office with Olympic Storage for another 5 years.

The total amount paid for these leases in 2024 was \$28,350. As of December 31, 2024, the future lease payments are as follows:

Year	Total
2025	\$ 32,400
2026	32,400
2027	32,400
2028	32,400
2029	27,000
<i>Totals</i>	<u>\$ 156,600</u>

The District entered into a new lease for a copy machine located in the administration building with Canon Financial Services for another 5 years.

The total amount paid for these leases in 2024 was \$2,772. As of December 31, 2024, the future lease payments are as follows:

Year	Total
2025	\$ 2,076
2026	2,076

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

2027	2,076
2028	2,076
2029	1,211
<i>Totals</i>	<u>\$ 9,513</u>

**Note 6 – Subscription-Based Information Technology Arrangements (SBITA)**

The District makes an annual subscription prepaid payment of \$9,013 to SpringBrook Holding Company, LLC for use of the financial and payroll system. The SBITA contract is for 3 years through the end of 2025.

The District makes annual subscription payments of \$22,149 to Insight Public Sector for use of the Microsoft Enterprise Suite. The SBITA contract initial term is for 3 years ending on 5/31/26 with the option to extend for an additional 3 years.

The total amount paid for SBITAs in 2024 was \$31,162. As of December 31, 2024, the future SBITA payments are as follows:

Year	Total
2025	\$ 22,149
2026	22,149
2027	22,149
2028	22,149
<i>Totals</i>	<u>\$ 88,596</u>

**Note 7 – Long-Term Liabilities** *(formerly Long-Term Debt)*

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

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

Year	Principal	Interest	Total
2025	\$ 305,000	\$ 48,872	\$ 353,872
2026	305,000	44,908	349,908
2027	310,000	40,790	350,790
2028	320,000	36,450	356,450
2029	325,000	26,850	351,850
2030-2032	790,000	38,800	828,800

# Jefferson County Fire Protection District No. 1

## Notes to the Financial Statements

For the year ended December 31, 2024

Totals	\$ 2,355,000	\$ 236,670	\$ 2,591,670
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### Compensated Absences

During the year ended December 31, 2024, the following changes occurred in compensated absences. GASB Statement No. 101, Compensated Absences went into effect for 2024 reporting. The change in the method of calculating the liability at the end of the year materially impacted sick leave liability.

Description	Beginning Balance 01/01/2024	Additions	Reductions	Ending Balance 12/31/2024
Compensatory Leave	\$ 195,969	\$ 78,767		\$ 274,736
Severance Agreements	587,362		134,198	453,165
Sick Leave	818,522	890,391		1,708,913
Vacation Leave	104,550		40,623	63,927
Total	\$ 1,706,403	\$ 969,158	\$ 174,820	\$ 2,500,741

## **Note 8 – 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 systems, 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).

Volunteer Fire Fighter's Relief and Pension Fund

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

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, 2024 (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	\$ 11,579	0.0019340%	\$ 34,364
PERS 2/3	\$ 24,699	0.0025090%	\$ (82,711)
LEOFF 2	\$ 392,214	0.1440560%	\$ (2,997,965)
VFFRPF	\$ 420	0.2500000%	\$ (28,275)

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

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.

The district's regular levy for the year 2024 was \$1.31 per \$1,000 on an assessed valuation of \$7,800,138,764 for a total regular levy of \$10,202,180.

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

The district's EMS levy for the year 2024 was \$0.50 per \$1,000 on an assessed valuation of \$7,809,407,951 for a total regular levy of \$3,901,462.

**Note 10 – 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)	\$15,657,030
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 11 – Other Disclosures**

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

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

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.

In 2024, the District was approved for a \$2,985,000 debt facility by the Washington State Local Program in order to purchase two engines, two ambulances and a brush truck in 2025 and 2026.

**Jefferson County Fire Protection District No. 1**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

In October, 2024, the District entered into a collective bargaining agreement with East Jefferson Professional Firefighters IAFF Local 2032 effective for the calendar years 2025 through 2027.

**Note 12 – Subsequent Event**

On June 10, 2025, the District drew from its debt facility with the Washington State Local Program the amount of \$451,470 to finance the purchase of a brush truck and an ambulance. The debt will be paid over ten years.

**Jefferson County Fire Protection District No. 1**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2024**

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>							
251.11	Non-voted General obligation bonds	GO Bond Non-Voted	12/1/2032	2,655,000	-	300,000	2,355,000
<b>Total General Obligation Debt/Liabilities:</b>				<b>2,655,000</b>	<b>-</b>	<b>300,000</b>	<b>2,355,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>							
259.12	Compensated Absences	Compensatory Leave		195,969	78,767	-	274,736
259.12	Compensated Absences	Severance Agreements		587,362	-	134,198	453,164
259.12	Compensated Absences	Sick Leave		818,522	890,391	-	1,708,913
259.12	Compensated Absences	Vacation Leave		104,550	-	40,623	63,927
264.30	Pension Liabilities	Pension Liability - PERS 1 Dist 1		43,691	-	9,327	34,364
263.57	Leases, SBITA, and PPPs	Leases Admin Bldg		22,500	162,000	27,900	156,600
263.57	Leases, SBITA, and PPPs	Leases Canon Copier - STA 7		696	-	696	-
263.57	Leases, SBITA, and PPPs	Leases Canon Copier - Admin		1,422	10,378	2,287	9,513
263.57	Leases, SBITA, and PPPs	Leases Stryker		1,390,440	-	173,805	1,216,635
263.57	Leases, SBITA, and PPPs	Software		110,745	-	22,149	88,596
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>				<b>3,275,897</b>	<b>1,141,536</b>	<b>410,985</b>	<b>4,006,448</b>
<b>Total Liabilities:</b>				<b>5,930,897</b>	<b>1,141,536</b>	<b>710,985</b>	<b>6,361,448</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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