



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Snohomish County Fire Protection District No. 21

For the period January 1, 2022 through December 31, 2023

Published December 16, 2024

Report No. 1036216



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

December 16, 2024

Board of Commissioners
Snohomish County Fire Protection District No. 21
Arlington, Washington

Report on Financial Statements

Please find attached our report on Snohomish County Fire Protection District No. 21's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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INDEPENDENT AUDITOR'S REPORT

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

Snohomish County Fire Protection District No. 21 January 1, 2022 through December 31, 2023

Board of Commissioners
Snohomish County Fire Protection District No. 21
Arlington, 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 Snohomish County Fire Protection District No. 21, as of and for the years ended December 31, 2023 and 2022, 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, 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

December 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Snohomish County Fire Protection District No. 21 January 1, 2022 through December 31, 2023

Board of Commissioners
Snohomish County Fire Protection District No. 21
Arlington, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Snohomish County Fire Protection District No. 21, as of and for the years ended December 31, 2023 and 2022, 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 Snohomish County Fire Protection District No. 21, and its changes in cash and investments, for the years ended December 31, 2023 and 2022, 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 Snohomish County Fire Protection District No. 21, as of December 31, 2023 and 2022, 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.

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 schedule 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 December 11, 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, 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, 2024

FINANCIAL SECTION

Snohomish County Fire Protection District No. 21 January 1, 2022 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023

Fund Resources and Uses Arising from Cash Transactions – 2022

Notes to Financial Statements – 2023

Notes to Financial Statements – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023

Schedule of Liabilities – 2022

Snohomish County Fire Protection District No. 21
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	001 General Expense Fund	200 General Non-Voted Debt	301 Capital Projects Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,084,425	538,841	-	545,584
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,538,825	2,538,825	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	454,728	454,728	-	-
340	Charges for Goods and Services	439,116	439,116	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	274,226	265,820	-	8,406
Total Revenues:		3,706,895	3,698,489	-	8,406
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	2,786,302	2,786,074	-	228
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,786,302	2,786,074	-	228
Excess (Deficiency) Revenues over Expenditures:		920,593	912,415	-	8,178
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	3,004,250	-	-	3,004,250
397	Transfers-In	314,921	159,983	154,936	2
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	310,497	310,497	-	-
Total Other Increases in Fund Resources:		3,629,668	470,480	154,936	3,004,252
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,867,814	293,074	-	2,574,740
591-593, 599	Debt Service	133,582	1,008	132,574	-
597	Transfers-Out	314,921	171,233	3,014	140,674
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,316,317	465,315	135,588	2,715,414
Increase (Decrease) in Cash and Investments:		1,233,944	917,580	19,348	297,016
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	19,348	-	19,348	-
50841	Committed	-	-	-	-
50851	Assigned	842,599	-	-	842,599
50891	Unassigned	1,456,425	1,456,425	-	-
Total Ending Cash and Investments		2,318,372	1,456,425	19,348	842,599

The accompanying notes are an integral part of this statement.

Snohomish County Fire Protection District No. 21
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 General Expense Fund	200 General Non-Voted Debt	301 Apparatus Reserve
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,150,631	474,406	4,999	671,226
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,508,072	2,508,071	1	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	506,457	506,457	-	-
340	Charges for Goods and Services	356,706	356,706	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	14,958	14,958	-	-
Total Revenues:		3,386,193	3,386,192	1	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	2,568,685	2,568,359	326	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,568,685	2,568,359	326	-
Excess (Deficiency) Revenues over Expenditures:		817,508	817,833	(325)	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	145,750	-	-	145,750
397	Transfers-In	686,990	226,935	405,381	54,674
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		832,740	226,935	405,381	200,424
Other Decreases in Fund Resources					
594-595	Capital Expenditures	523,521	523,521	-	-
591-593, 599	Debt Service	505,940	1,428	405,381	99,131
597	Transfers-Out	686,990	455,381	4,674	226,935
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,716,451	980,330	410,055	326,066
Increase (Decrease) in Cash and Investments:		(66,203)	64,438	(4,999)	(125,642)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	545,583	-	-	545,583
50891	Unassigned	538,841	538,841	-	-
Total Ending Cash and Investments		1,084,424	538,841	-	545,583

The accompanying notes are an integral part of this statement.

Snohomish County Fire Protection District 21

For the Year Ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

The Snohomish County Fire Protection District 21 (District 21) is a special purpose government that was incorporated on October 25, 1960, and provides fire suppression, emergency medical services, public education, and fire prevention services. District 21 is supported primarily through property taxes. District 21 operates under Chapter 52 of the Revised Code of Washington (RCW) and other laws of the state of Washington applicable to fire districts and fire protection authorities.

District 21 is governed by a Board of Fire Commissioners, consisting of three elected members that serve for a period of six years. The Board of Fire Commissioners has the statutory authority to adopt and modify the budget, levy taxes, control all assets, sign contracts, and authorize borrowing or debt issuances. The Board of Fire Commissioners appoints the Fire Chief to manage the day-to-day operations of District 21. The Fire Chief is accountable to the Board of Fire Commissioners for the activities being managed.

District 21 is the primary, special purpose government responsible for fire protection and BLS services within its service areas. As a result, all significant activities have been included in the financial statements. District 21's financial statements represent those of a stand-alone government, as there are no component units.

District 21 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 Note 4-Component Unit(s), Joint Ventures, and Related Parties*).
- 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 for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of District 21 are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. District 21's resources are allocated to and accounted for in

individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of District 21. It accounts for all financial resources except those required or elected to be accounted for in another fund. For reporting purposes, District 21 has consolidated its Working Capital Operating Reserve Fund, Emergency Fund and Investments into the General Fund.

Debt Service Fund

This fund is used to 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

This fund is used to account for financial resources which may be restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets. District 21 has one fund (301) that serves as a reserve for all future 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 3, Deposits and Investments).

D. Capital Assets

Capital assets are assets with an individual cost of more than \$5,000 and estimated useful life in excess of one year. The capital assets of District 21 are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation pay may be accumulated up to 500 hours and is payable upon separation or retirement. On December 31, 2023, District 21's estimated liability for vacation pay was \$94,524. Payments are recognized as expenditures when paid.

Upon separation or retirement employees receive compensation for up to 1440 hours at tiered cash out rates for unused sick leave. Sick leave is cashed out at the following rates: 1-500 hours- 25%, 501-1000 hours- 50%, 1001-1440 hours- 75%. On December 31, 2023, District 21's estimated liability for sick leave pay was \$62,341. Payments are recognized as expenditures when paid.

Ending Balance 12/31/2023		
Leave Type	Hours	Total Value
Sick Pay	1,334	62,341.03
Vacation	2,069	94,523.67
Total All Accruals	3,403	156,864.70

F. Long-Term Debt – (Refer to Note 6, Long Term Debt Service).

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of Commissioners. When expenditures that meet restrictions are incurred, District 21 intends to use the most restricted resources first.

Reservations of Ending Cash and Investments consist of the following on December 31, 2023:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
001- General Fund			0	
200- General Non-Voted Debt	19,348		19,348	Restricted for future debt payments
301- Capital Projects Fund			0	
<i>Totals</i>	19,348	0	19,348	

Note 2 - Budget Compliance

District 21 adopts annual appropriated budgets for all governmental and capital projects funds. 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 district's 2023 operating budget are as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
001- General Fund	3,426,882	3,230,888	195,994	
002- Emergency Reserve	-	-	-	
003- General Capital Reserve	20,498	20,498	0	
200- General Non-Voted Debt	3,796,600	135,587	3,661,013	Budgeted Debt Issuance in Bond fund but moved to 303- Capital Projects Fund
301- Capital Projects Fund	200	228	(28)	Finance Fees came in more than budget
303- Capital Projects Fund (Station 50 Constructio	3,500,000	2,715,414	784,586	Did not complete all budgeted projects, will complete in 2024/2025
Totals All Funds	\$ 10,744,180	\$ 6,102,616	\$ 4,641,564	

RCW 52.16.070 provides that District 21 shall not expend funds in any year that exceed its available resources. For the 2023 calendar year, total expenditures did not exceed available resources.

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 legislative body.

Note 3 - Deposits and Investments

Investments are reported at fair value. Deposits and investments by type on December 31, 2023, are as follows:

Type of Deposit or Investment	Districts' own deposits & investments	Deposits & Investments held by the District as custodian for other local governments, individuals, or private organizations.	Combined
Bank Deposits	759,523		759,523
Local Government Investment Pool	1,558,849		1,558,849
<i>Totals</i>	2,318,372	0	2,318,372

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 State Treasurer. The pool is not rated or 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.

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 4 – Component Unit(s), Joint Ventures and Related Parties

The district and other Police and Fire entities jointly operate SNOHOMISH COUNTY 911. SNOHOMISH COUNTY 911, a cash basis, special purpose district, was created under the Interlocal Cooperation Act, as codified in RCW 39.34. This established the statutory authority necessary for Snohomish County, the cities, towns, fire districts, police districts and other service districts to enter into a contract and agreement to jointly establish, maintain, and operate a support communications center. Control of SNOHOMISH COUNTY 911 is with a 16-member Board of Directors which is specified in the Interlocal Agreement. SNOHOMISH COUNTY 911 takes 911 calls and performs emergency dispatch services for local governmental agencies including police, fire and medical aid.

In the event of the dissolution of SNOHOMISH COUNTY 911, any money in the possession of SNOHOMISH COUNTY 911 or the Board of Directors after payment of all costs, expenses and charges validly incurred under this Agreement shall be returned to the parties of this Agreement and shall be apportioned between Principals based on the ratio that the average of each Principals' contributions to the operating budget over the preceding five (5) years bears to the total of all then remaining Principals' User Fees paid during such five-year period. Before deducting the payment of all costs, expenses and charges validly incurred, the district's share was \$87,488 on December 31, 2023.

Snohomish County 911's 2023 operating budget was \$28,409,308, operating revenues received were \$29,310,607 and total operating expenditures were \$27,824,076. Complete financial statements for SNOHOMISH COUNTY 911 can be obtained from SNOHOMISH COUNTY 911's administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

Note 5- Leases

During the year ended 12/31/2023, 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 lease agreement was executed on 9/11/2023 and has a term of 60 months at 147.00 per month.

Year	Lease Payments	Beginning Balance	Ending Balance
2023	1,008	9,534	8,526
2024	1,764	8,526	6,762
2025	1,764	6,762	4,998
2026	1,764	4,998	3,234
2027	1,764	3,234	1,470
2028	1,470	1,470	0
<i>Total</i>	9,534		

Note 6 – Long Term Debt

The accompanying Schedule of Liabilities (09) provides additional information regarding the outstanding debt and liabilities of District 21 and summarizes District 21's debt transactions for the year ended December 31, 2023.

In 2020 the district issued non-voted general obligation debt of \$510,000 for the purchase of a new fire engine. The terms of the debt require payment of principal and interest for 10 years at a rate of 1.47% for the first 5 years and then 2.050% for the final 5 years. Final payment is on 12/1/2030.

In December 2022, the district closed on a non-voted LTGO Bond in the amount of \$3,150,000.00 to be used for the purchase of a new fire station (Station 50) and other capital expenditures. The bond is for 20 years at a rate of 4.150%. Final Payment is on 12/1/2042.

Year	Principal	Interest	Total Debt Service
2024	165,000	138,196	303,196
2025	165,000	132,259	297,259
2026	170,000	128,193	298,193
2027	175,000	122,119	297,119
2028	180,000	116,143	296,143
2029-2033	855,000	478,879	1,333,879
2034-2038	920,000	304,590	1,224,590
2039-2043	880,000	94,750	974,750
<i>Totals</i>	3,510,000	1,515,128	5,025,128

Note 7 - Pension Plans

A. State Sponsored Pension Plans

Substantially all District 21 full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans (LEOFF and PERS).

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

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

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

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

District 21 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.

On June 30, 2023 (the measurement date of the plans), District 21's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	24,779.90	0.00363600%	2,282,732,000	83,000	
PERS 2/3	41,268.93	0.00469400%	(4,098,683,000)		(192,392)
LEOFF 2	45,436.10	0.02013000%	(2,398,598,000)		(482,838)
VFFRPF	120.00	0.070000%	(19,931,000)		(13,734)
		<i>Totals</i>		\$ 83,000	\$ (688,964)

District 21 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.

District 21 also participates in the PERS Plan 2/3. 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 2/3 in accordance with the recommendations of the Pension Funding Council and the PERS Plan Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

B. Defined Contribution Pension Plans

The district participates in two deferred compensation programs. Full-time employees of the district have a choice in which program they choose to participate in. The program options are the Washington State Department of Retirement Systems Deferred Compensation plan, or a similar program operated by Nationwide Financial Services. Both the District and the Employee contribute a minimum of 6.0% monthly from payroll deductions and employees are allowed to contribute more up to the federal maximums. These funds are electronically sent to the State and are then invested per the employee's direction. Funds are taken pre-tax from gross pay and are designed to be used as part of the employee's income strategy after retirement. In 2023, the district contributed \$47,307.31 into the Nationwide program.

Note 8 - Property Tax

The Snohomish County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed as they are received.

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 recorded as received by the County. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

In 2023, District 21 levied the following property taxes:

Levy Type	Per \$1000	Assessed Valuation	Amount
Regular Levy	0.84441110215	2,105,518,077	1,777,923
EMS Levy	0.35561045959	2,167,748,977	770,874
Total	1.20002156174		2,548,797

As of December 31, 2023, the outstanding property taxes receivable for the General Fund were \$70,717.59.

Note 9 – Risk Management

Volunteer Fireman’s Insurance Services (VFIS)

The district manages its risk by maintaining insurance coverage for damages and losses to buildings, business personal property, apparatus, portable equipment or criminal acts. Coverage for general, management, and automotive related liability is included. The district is responsible for deductibles that are paid on claims submitted ranging typically from \$500 to \$1,000. The insurance coverage is purchased through Volunteer Firemen’s Insurance Services, Inc. (VFIS). The district’s local broker for VFIS is Nicholson and Associates.

Health and welfare insurance are provided by an insurance company trust which provides traditional medical and dental policies for the employees.

The only area of risk that the district self-insures is unemployment compensation. While we participate in the Washington State Employment Security Department (ESD) unemployment insurance, we do not pay premiums but rather reimburse ESD when claims are approved and paid by ESD.

The employees of the district are covered for workers compensation through the Washington State Labor & Industries program. The district pays premiums to the State based upon prior years claims experience ratings and industry specific rates.

The district does participate in funding of the Washington State Paid Family Medical Leave (PFML) program. The employees pay into the program and are eligible to participate in the PFML program. The district is not required to pay into the program as we have less than 50 employees.

Snohomish County Fire Protection District 21

For the Year Ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The Snohomish County Fire Protection District 21 (District 21) is a special purpose government that was incorporated on October 25, 1960, and provides fire suppression, emergency medical services, public education, and fire prevention services. District 21 is supported primarily through property taxes. District 21 operates under Chapter 52 of the Revised Code of Washington (RCW) and other laws of the state of Washington applicable to fire districts and fire protection authorities.

District 21 is governed by a Board of Fire Commissioners, consisting of three elected members that serve for a period of six years. The Board of Fire Commissioners has the statutory authority to adopt and modify the budget, levy taxes, control all assets, sign contracts, and authorize borrowing or debt issuances. The Board of Fire Commissioners appoints the Fire Chief to manage the day-to-day operations of District 21. The Fire Chief is accountable to the Board of Fire Commissioners for the activities being managed.

District 21 is the primary, special purpose government responsible for fire protection and BLS services within its service areas. As a result, all significant activities have been included in the financial statements. District 21's financial statements represent those of a stand-alone government, as there are no component units.

District 21 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 Note 4-Component Unit(s), Joint Ventures, and Related Parties*).
- 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 for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of District 21 are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. District 21's resources are allocated to and accounted for in

individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of District 21. It accounts for all financial resources except those required or elected to be accounted for in another fund. For reporting purposes, District 21 has consolidated its Working Capital Operating Reserve Fund, Emergency Fund and Investments into the General Fund.

Debt Service Fund

This fund is used to 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

This fund is used to account for financial resources which may be restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets. District 21 has one fund (301) that serves as a reserve for all future 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 3, Deposits and Investments).

D. Capital Assets

Capital assets are assets with an individual cost of more than \$5,000 and estimated useful life in excess of one year. The capital assets of District 21 are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation pay may be accumulated up to 500 hours and is payable upon separation or retirement. On December 31, 2022, District 21's estimated liability for vacation pay was \$74,663. Payments are recognized as expenditures when paid.

Upon separation or retirement employees receive compensation for up to 1440 hours at tiered cash out rates for unused sick leave. Sick leave is cashed out at the following rates: 1-500 hours- 25%, 501-1000 hours- 50%, 1001-1440 hours- 75%. On December 31, 2022, District 21's estimated liability for sick leave pay was \$42,275. Payments are recognized as expenditures when paid.

Leave Type	End Bal- 12/31/2022	Total cost
Total Sick	1,067	\$ 42,275
Total Vacation	1,875	\$ 74,663
Total Liability	2,942	\$ 116,938

F. Long-Term Debt – (Refer to Note 5, Long Term Debt Service).

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of Commissioners. When expenditures that meet restrictions are incurred, District 21 intends to use the most restricted resources first.

Reservations of Ending Cash and Investments consist of the following on December 31, 2022:

Fund Name	Purpose	Amount	Restriction Type
001 General Fund-Operating		\$ 475,209	None
002 General Fund-Emergency Reserve		\$ 42,668	None
003 General Fund-Capital Reserve		\$ 20,964	None
200 General Non-Voted Debt		\$ 104,674	Restricted
301 Apparatus Reserve		\$ 440,910	Assigned
302 Facilities Reserve		\$ -	Assigned
Totals		\$ 1,084,425	

Note 2 - Budget Compliance

District 21 adopts annual appropriated budgets for all governmental and capital projects funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. Annual appropriations for these funds lapse at the fiscal year end.

The appropriated and actual expenditures for the district's 2022 operating budget are as follow:

Fund/Department	Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
001 All General Funds	4,319,156.00	3,913,690.41	405,465.59	Final expenditures came in lower than anticipated
200 General Non-Voted Debt	406,000.00	410,380.67	(4,380.67)	
301 Apparatus Reserve	55,100.00	53,381.00	1,719.00	
302 Facilities Reserve	226,936.00	226,935.06	0.94	
303 Station 50 Construction	-	45,750.00	(45,750.00)	
Totals	5,007,192.00	4,650,137.14	357,054.86	

RCW 52.16.070 provides that District 21 shall not expend funds in any year that exceed its available resources. For the 2022 calendar year, total expenditures did not exceed available resources.

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 legislative body.

Note 3 - Deposits and Investments

Investments are reported at fair value. Deposits and investments by type on December 31, 2022, are as follows:

Type of Deposit or Investment	District's own deposits & investments	Deposits & investments held by the District as custodian for other local governments, individuals, or private organizations.	Total
Bank Deposits	408,654.17		408,654.17
Local Government Investment Pool	675,770.65		675,770.65
<i>Totals</i>	1,084,424.82	-	1,084,424.82

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.

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 4 – Component Unit(s), Joint Ventures and Related Parties

The district and other Police and Fire entities jointly operate SNOHOMISH COUNTY 911. SNOHOMISH COUNTY 911, a cash basis, special purpose district, was created under the Interlocal Cooperation Act, as codified in RCW 39.34. This established the statutory authority necessary for Snohomish County, the cities, towns, fire districts, police districts and other service districts to enter into a contract and agreement to jointly establish, maintain, and operate a support communications center. Control of SNOHOMISH COUNTY 911 is with a 16-member Board of Directors which is specified in the Interlocal Agreement. SNOHOMISH COUNTY 911 takes 911 calls and performs emergency dispatch services for local governmental agencies including police, fire and medical aid.

In the event of the dissolution of SNOHOMISH COUNTY 911, any money in the possession of SNOHOMISH COUNTY 911 or the Board of Directors after payment of all costs, expenses and charges validly incurred under this Agreement shall be returned to the parties of this Agreement and shall be apportioned between Principals based on the ratio that the average of each Principals' contributions to the operating budget over the preceding five (5) years bears to the total of all then remaining Principals' User Fees paid during such five-year period. Before deducting the payment of all costs, expenses and charges validly incurred, the district's share was \$60,542 on December 31, 2022.

Snohomish County 911's 2021 operating budget was \$26,034,697, operating revenues received were \$26,904,022 and total operating expenditures were \$25,119,101. Complete financial statements for SNOHOMISH COUNTY 911 can be obtained from SNOHOMISH COUNTY 911's administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

Note 5 – Long Term Debt

The accompanying Schedule of Liabilities (09) provides additional information regarding the outstanding debt and liabilities of District 21 and summarizes District 21's debt transactions for the year ended December 31, 2022.

Currently, District 21 has outstanding debt of a copier lease which was executed in May 2019 for sixty months at \$119 per month plus taxes.

In 2020 the district issued non-voted general obligation debt of \$510,000 for the purchase of a new fire engine. The terms of the debt of require payment of principal and interest for 10 years.

Year	Principal	Interest	Total Debt Service
2021	50,000	8,163	58,163
2022	50,000	6,762	56,762
2023	50,000	6,027	56,027
2024	50,000	5,292	55,292
2025	50,000	4,557	54,557
2026-2030	260,000	16,298	276,298
<i>Totals</i>	\$ 510,000	\$ 47,099	\$ 557,099

In 2021, the district took a draw of \$400,000 against a future non-voted general obligation issue for the development and construction of a new fire station in the south portion of the district's service area. This draw was paid back in full in June 2022, it was a short-term line of credit.

In December 2022, the district closed on a non-voted LTGO Bond in the amount of \$3,150,000.00 to be used for the purchase of a new fire station and other capital expenditures. The bond is a draw down bond meaning we have one year to draw the funds. As of 12/31/2022 only \$145,750.00 had been drawn from the bond. The first interest only payment will be due in 2023 and principal payments will start in 2024. As the districts draws additional funds in 2023 the amortization schedule below will be adjusted.

Year	Principal	Interest	Total Debt Service
2022	-	-	-
2023	-	123,099	123,099
2024	115,000	130,725	245,725
2025	115,000	125,953	240,953
2026-2030	655,000	554,025	1,209,025
2031-2035	810,000	405,455	1,215,455
2036-2040	995,000	222,440	1,217,440
2041-2042	460,000	28,843	488,843
<i>Totals</i>	\$ 3,150,000	\$ 1,590,539	\$ 4,740,539

Note 6 – Other Disclosures

Construction Commitment

In 2021, the district reported the plan to spend about 10 million to develop and construct a new fire station. Due to delays in the project and the increase in costs the district decided to not build

this fire station. As of 1/1/2022, District 21 abandoned the plan to construct a new fire station due to delays in the architectural and planning process and a rise in construction costs. District 21 plans to purchase property which has existing structures that would be suitable for Station 50. The costs for this project would be substantially lower than planned and estimated around \$3.1 million. In December 2022, the district closed on a non-voted LTGO Bond in the amount of \$3,150,000.00. The district plans to purchase a property near the previously planned construction site with bond funds in 2023.

Note 7 - Pension Plans

A. State Sponsored Pension Plans

Substantially all District 21 full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans (LEOFF and PERS).

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.

District 21 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.

On June 30, 2022 (the measurement date of the plans), District 21's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1			2,784,367,000	-	
PERS 1 UAAL	\$ 18,735	0.00305700%	2,784,367,000	85,118	
PERS 2/3	\$ 31,954	0.00397700%	(3,708,781,000)	-	(147,498)
LEOFF 2	\$ 42,835	0.02069000%	(2,717,698,000)		(562,292)
VFFRPF	\$ 300	0.160000%	28,264,000		(44,595)
		<i>Totals</i>		\$ 85,118	\$ (754,385)

District 21 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.

District 21 also participates in the PERS Plan 2/3. 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 2/3 in accordance with the recommendations of the Pension Funding Council and the PERS Plan Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

B. Defined Contribution Pension Plans

The district participates in two deferred compensation programs. Full-time employees of the district have a choice in which program they choose to participate in. The program options are the Washington State Department of Retirement Systems Deferred Compensation plan, or a similar program operated by Nationwide Financial Services. Both the District and the Employee contribute a minimum of 6.0% monthly from payroll deductions and employees are allowed to contribute more up to the federal maximums. These funds are electronically sent to the State and are then invested per the employee's direction. Funds are taken pre-tax from gross pay and are designed to be used as part of the employee's income strategy after retirement. In 2022, the district contributed \$17,188 to the State program and \$26,385 into the Nationwide program.

Note 8 - Property Tax

The Snohomish County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed as they are received.

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 recorded as received by the County. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

In 2022, District 21 levied the following property taxes:

Levy Type	Per \$1000	Assessed Valuation	Amount
Regular Fire Operations	1.09798349	1,609,887,923	\$ 1,767,630
EMS Permanent Levy	0.452122581	1,660,556,323	\$ 750,775
Total	1.55010607		\$ 2,518,405

As of December 31, 2022, the outstanding property taxes receivable for the General Fund were \$66,187.18.

Note 9 – Risk Management

Volunteer Fireman's Insurance Services (VFIS)

The district manages its risk by maintaining insurance coverage for damages and losses to buildings, business personal property, apparatus, portable equipment or criminal acts. Coverage for general, management, and automotive related liability is included. The district is responsible for deductibles that are paid on claims submitted ranging typically from \$500 to \$1,000. The insurance coverage is purchased through Volunteer Firemen's Insurance Services, Inc. (VFIS). The district's local broker for VFIS is Nicholson and Associates.

Health and welfare insurance are provided by an insurance company trust which provides traditional medical and dental policies for the employees.

The only area of risk that the district self-insures is unemployment compensation. While we participate in the Washington State Employment Security Department (ESD) unemployment insurance, we do not pay premiums but rather reimburse ESD when claims are approved and paid by ESD.

The employees of the district are covered for workers compensation through the Washington State Labor & Industries program. The district pays premiums to the State based upon prior years claims experience ratings and industry specific rates.

The district does participate in funding of the Washington State Paid Family Medical Leave (PFML) program. The employees pay in to the program and are eligible to participate in the PFML program. The district is not required to pay into the program as we have less than 50 employees.

Snohomish County Fire Protection District No. 21
Schedule of Liabilities
For the Year Ended December 31, 2023

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Station 50 Purchase Bond	12/1/2042	145,750	3,004,250	-	3,150,000
251.11	Fire Truck Purchase	12/1/2030	410,000	-	50,000	360,000
Total General Obligation Debt/Liabilities:			555,750	3,004,250	50,000	3,510,000
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Pension Liability		85,118	-	2,118	83,000
259.12	Compensated Absences- Sick		42,275	20,066	-	62,341
259.12	Compensated Absences- Vacation		74,663	19,861	-	94,524
263.57	Copier Lease	6/1/2023	714	-	714	-
263.57	Admin Copier Lease	10/31/2028	-	8,820	294	8,526
Total Revenue and Other (non G.O.) Debt/Liabilities:			202,770	48,747	3,126	248,391
Total Liabilities:			758,520	3,052,997	53,126	3,758,391

Snohomish County Fire Protection District No. 21
Schedule of Liabilities
For the Year Ended December 31, 2022

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Fire Truck Purchase	12/1/2030	460,000	-	50,000	410,000
251.11	Station 50 Construction LOC	6/1/2022	400,000	-	400,000	-
251.11	Station 50 Purchase Bond	12/1/2042	-	145,750	-	145,750
Total General Obligation Debt/Liabilities:			860,000	145,750	450,000	555,750
Revenue and Other (non G.O.) Debt/Liabilities						
263.57	Copier Lease	6/1/2023	2,142	-	1,428	714
264.30	Pension Liability		31,703	53,415	-	85,118
259.12	Compensated Absences- Sick		108,012	-	65,737	42,275
259.12	Compensated Absences- Vacation		43,291	31,372	-	74,663
Total Revenue and Other (non G.O.) Debt/Liabilities:			185,148	84,787	67,165	202,770
Total Liabilities:			1,045,148	230,537	517,165	758,520

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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