

# ANNUAL REPORT CERTIFICATION



CLARK COUNTY FIRE & RESCUE  
MCAG No. 2959

Submitted pursuant to RCW 43.09.230 to the  
WASHINGTON STATE AUDITOR'S OFFICE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

911 N 65<sup>th</sup> Avenue  
Ridgefield, WA 98642  
[www.clarkfr.org](http://www.clarkfr.org)  
360/ 887.4609

AUDIT CONTACT  
Kathleen Streissguth, Senior Support Specialist  
360/ 887.6211  
[kathy.streissguth@clarkfr.org](mailto:kathy.streissguth@clarkfr.org)

I certify this 25<sup>th</sup> day of May, 2016, that the annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems (BARS) Cash Basis Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification.

I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

  
Preparer Signature

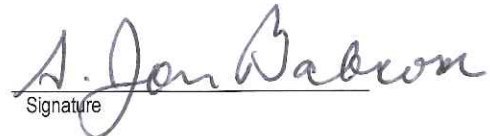
Kathleen Streissguth  
Preparer Name

Finance Manager  
Title

  
Signature

John Nohr  
Name

Fire Chief  
Title

  
Signature

S Jon Babcock  
Name

Board Chair  
Title

**Clark County Fire and Rescue**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		<u>Total for All Funds (Memo Only)</u>	<u>028 General Fund</u>	<u>126 EMS Fund</u>	<u>154 FFFB</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	24,342	10,897	-	2,333
30880	Unreserved	1,785,988	1,785,988	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	5,626,022	5,344,822	4	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	493,349	492,989	-	-
340	Charges for Goods and Services	4,322,319	4,199,316	-	123,002
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	51,770	51,159	-	90
Total Operating Revenues:		<u>10,493,460</u>	<u>10,088,286</u>	<u>4</u>	<u>123,092</u>
<b>Operating Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	9,746,771	9,593,580	-	153,192
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>9,746,771</u>	<u>9,593,580</u>	<u>-</u>	<u>153,192</u>
Net Operating Increase (Decrease):		<u>746,689</u>	<u>494,706</u>	<u>4</u>	<u>(30,100)</u>
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	118,036	117,058	-	978
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	429,375	425	-	59,531
Total Nonoperating Revenues:		<u>547,411</u>	<u>117,483</u>	<u>-</u>	<u>60,509</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	650,173	904	-	-
594-595	Capital Expenditures	268,671	239,244	-	29,427
597	Transfers-Out	429,375	428,950	-	-
Total Nonoperating Expenditures:		<u>1,348,220</u>	<u>669,098</u>	<u>-</u>	<u>29,427</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b><u>(54,119)</u></b>	<b><u>(56,909)</u></b>	<b><u>4</u></b>	<b><u>982</u></b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	16,233	-	4	3,314
5088000	Unreserved	1,739,976	1,739,976	-	-
<b>Total Ending Cash and Investments</b>		<b><u>1,756,209</u></b>	<b><u>1,739,976</u></b>	<b><u>4</u></b>	<b><u>3,314</u></b>

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

**Clark County Fire and Rescue**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		<u>220 Bond Fund</u>	<u>222 Bond Fund</u>
		- 11	- 12
<b>Beginning Cash and Investments</b>			
30810	Reserved	-	11,112
30880	Unreserved	-	-
388 & 588	Prior Period Adjustments, Net	-	-
<b>Operating Revenues</b>			
310	Taxes	-	281,196
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	360
340	Charges for Goods and Services	-	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	521
Total Operating Revenues:		<u>-</u>	<u>282,078</u>
<b>Operating Expenditures</b>			
510	General Government	-	-
520	Public Safety	-	-
598	Miscellaneous Expenses	-	-
Total Operating Expenditures:		<u>-</u>	<u>-</u>
Net Operating Increase (Decrease):		<u>-</u>	<u>282,078</u>
<b>Nonoperating Revenues</b>			
370-380, 395 & 398	Other Financing Sources	-	-
391-393	Debt Proceeds	-	-
397	Transfers-In	369,419	-
Total Nonoperating Revenues:		<u>369,419</u>	<u>-</u>
<b>Nonoperating Expenditures</b>			
580, 596 & 599	Other Financing Uses	-	-
591-593	Debt Service	369,419	279,850
594-595	Capital Expenditures	-	-
597	Transfers-Out	-	425
Total Nonoperating Expenditures:		<u>369,419</u>	<u>280,275</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<u>-</u>	<u>1,803</u>
<b>Ending Cash and Investments</b>			
5081000	Reserved	-	12,915
5088000	Unreserved	-	-
<b>Total Ending Cash and Investments</b>		<u>-</u>	<u>12,915</u>

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

**Clark County Fire and Rescue  
Schedule of Liabilities  
For the Year Ended December 31, 2015**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligations</b>						
251.12	GO: CLAFIR0405R Apr-05	12/1/2019	1,270,000	-	210,000	1,060,000
251.11	GO: CLAFIR0913R Sep-13	12/1/2024	2,335,000	-	235,000	2,100,000
251.11	GO: Equipment Purchase May-07	5/10/2015	37,000	-	37,000	-
251.11	GO: Equipment Purchase Aug-09	8/17/2015	33,334	-	33,334	-
263.93	Benefit Accrual - Sick Leave		271,957	242,558	276,788	237,727
263.93	Benefit Accrual - Vacation Leave		486,051	674,497	734,239	426,309
263.93	Net Pension Liability		-	455,067	-	455,067
<b>Total General Obligations:</b>			<b>4,433,342</b>	<b>1,372,122</b>	<b>1,526,361</b>	<b>4,279,103</b>
<b>Total Liabilities:</b>			<b>4,433,342</b>	<b>1,372,122</b>	<b>1,526,361</b>	<b>4,279,103</b>

**Clark County Fire and Rescue  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2015**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Department Of Homeland Security (via WA State EMD)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4253-DR-WA	3,690	-	3,690	-	1,2,7
Department Of Homeland Security	Assistance to Firefighters Grant	97.044	EMW-2013-FP-00819	-	7,904	7,904	-	1,2,7
Department Of Homeland Security	Assistance to Firefighters Grant	97.044	EMW-2014-FO-05527	-	106,915	106,915	-	1,2,7
<b>Total CFDA 97.044:</b>				<b>-</b>	<b>114,819</b>	<b>114,819</b>	<b>-</b>	
Department Of Homeland Security	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2010-FF-00493	-	167,376	167,376	-	1,2,7
Department Of Homeland Security	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2013-FH-00448	-	309,603	309,603	-	1,2,7
<b>Total CFDA 97.083:</b>				<b>-</b>	<b>476,979</b>	<b>476,979</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>3,690</b>	<b>591,798</b>	<b>595,488</b>	<b>-</b>	

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

**MCAG 2959  
CLARK COUNTY FIRE & RESCUE**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015**

**NOTE 1 - BASIS OF ACCOUNTING**

This schedule is prepared on the same basis of accounting as the District's financial statements. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

**NOTE 2 - PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the District's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 7 – INDIRECT COST RATE**

The amount expended includes \$0 claimed as an indirect cost recovery.

**Clark County Fire and Rescue**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)**  
**For Fiscal Year ended December 31, 2015**

Grantor	Program Title	Identificaton Number	Amount
State Grant from State Patrol			
	FF1 Training	06D15	13,200
			<b>Sub-total: 13,200</b>
State Grant from Department of Health			
	Prehospital Care	06D15	1,341
			<b>Sub-total: 1,341</b>
State Grant from Military Department			
	Disaster Assistance	4253-DR-WA	615
			<b>Sub-total: 615</b>
			<b>Grand total: 15,156</b>

**Labor Relations Consultant  
For the Year Ended December 31, 2015**

Has your government engaged labor relations consultants?  Yes  No

If yes, please provide the following information for each consultant:

Name of firm: <b>Cabot Dow Associates, Inc</b>
Name of consultant: <b>Cabot Dow</b>
Business address: <b>PO Box 1806 Bellevue, WA 98009</b>
Amount paid to consultant during fiscal year: <b>\$412.50</b>
Terms and conditions, as applicable, including:  Rates (e.g., hourly, etc.): <b>\$165/hr</b>  Maximum compensation allowed: <b>n/a</b>  Duration of services: <b>August 2015</b>  Services provided: <b>Comparable compensation assessment update</b>





Notes to Financial Statements  
Clark County Fire & Rescue  
MCAG No. 2959  
For the Period  
January 1 through December 31, 2015

**TABLE OF CONTENTS**

NOTE 1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	<a href="#">ii</a>
	a. Fund Accounting.....	<a href="#">iii</a>
	b. Basis of Accounting .....	<a href="#">iii</a>
	c. Budgets.....	<a href="#">iii</a>
	d. Cash and Investments. ....	<a href="#">iv</a>
	e. Capital Assets.....	<a href="#">iv</a>
	f. Compensated Absences.....	<a href="#">iv</a>
	g. Long-Term Debt.....	<a href="#">v</a>
	h. Other Financing Sources and Uses .....	<a href="#">v</a>
	i. Risk Management.....	<a href="#">v</a>
	j. Reserved Portion of Ending Cash and Investments .....	<a href="#">v</a>
NOTE 2	PROPERTY TAX .....	<a href="#">v</a>
NOTE 3	DEPOSITS AND INVESTMENTS.....	<a href="#">vi</a>
NOTE 4	DEBT SERVICE REQUIREMENTS.....	<a href="#">vii</a>
NOTE 5	INTERFUND LOANS .....	<a href="#">vii</a>
NOTE 6	PENSION PLANS .....	<a href="#">vii</a>
NOTE 7	OTHER DISCLOSURES.....	<a href="#">viii</a>
	Compliance & Accountability.....	<a href="#">viii</a>
	OPEB .....	<a href="#">viii</a>
	Board of Fire Commissioners.....	<a href="#">viii</a>
	Litigation.....	<a href="#">viii</a>
	Intergovernmental Service Contracts.....	<a href="#">viii</a>
	Fairgrounds Fire Facility Board. ....	<a href="#">ix</a>
	Federal Grant Programs. ....	<a href="#">x</a>
	Regional Fire Authority Planning Committee .....	<a href="#">xi</a>
	Clark County Fire Rescue Risk Management Group. ....	<a href="#">xii</a>

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Clark County Fire & Rescue was incorporated in 1961 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts. The District is a special purpose government providing fire protection and emergency medical response services to the general public and is supported primarily through property taxes.

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

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

### a. Fund Accounting

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

#### General Fund - 028

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

#### Special Revenue Funds – EMS Fund 126 & FFFB Fund 154

These funds account for proceeds of specific revenue sources (other than for major capital projects) that are contractually or legally restricted to expenditures for specific purposes.

#### Debt Service Funds – 220 & 222

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

b. Basis of Accounting and Measurement Focus

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

In accordance with state law, Clark County Fire & Rescue also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

c. Budgets

The District adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the general fund, where the budget is adopted at the department 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 for these funds lapse at the fiscal year end.

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

<b>Fund/Dept</b>	<b>Final Appropriated Amounts</b>	<b>Actual Expenditures</b>	<b>Variance</b>
<b>General Fund 028</b>			
Administration	\$ 1,020,450	\$ 994,369	\$ 26,081
Operations - Fire & EMS	\$ 7,431,450	\$ 7,365,646	\$ 65,804
Prevention	\$ 169,100	\$ 167,677	\$ 1,423
Training - External	\$ 157,500	\$ 149,500	\$ 8,000
Training - Internal	\$ 379,450	\$ 322,256	\$ 57,194
Contract Education	\$ 13,191	\$ 1,063	\$ 12,128
Facilities	\$ 498,350	\$ 487,881	\$ 10,469
Vehicles & Apparatus	\$ 220,300	\$ 105,188	
Debt Service	\$ 900	\$ 904	\$ (4)
Capital Expense	\$ 239,300	\$ 239,244	\$ 56
Payroll Clearing	\$ -	\$ -	\$ -
Interfund Transfers	\$ <u>457,750</u>	\$ <u>452,847</u>	\$ <u>4,903</u>
<b>Total General Fund</b>	\$ 10,587,741	\$ 10,286,575	\$ 301,166
<b>EMS Fund 126</b>	\$ -	\$ -	\$ -
<b>FFFB Fund 154</b>	\$ 184,250	\$ 182,619	\$ 1,631
<b>Debt Service Fund 220</b>	\$ 369,450	\$ 369,419	\$ 31
<b>Debt Service Fund 222</b>	\$ 280,450	\$ 280,275	\$ 175

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 Board of Fire Commissioners.

d. Cash and Investments

See NOTE 3, *Deposits and Investments*.

e. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets are recorded as capital expenditures when purchased.

f. Compensated Absences

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

Sick leave may be accumulated up to 400 hours for permanent part time administrative staff, 800 hours for contract labor non-shift (40 hour/week) personnel, and 1200 hours for all full-time administrative and contract labor shift personnel. For bargaining unit personnel, after five years of continuous service and upon entering into the Washington State Retirement System OR being awarded permanent medical disability, twenty five percent (25%) of the employee's accumulated sick leave shall be dispersed based upon their current base rate of pay. The balance of accrued leave shall be forfeited. For full time administrative personnel, upon termination of employment following five years of continuous service, twenty five percent (25%) of the employee's accumulated sick leave shall be dispersed based upon their current base rate of pay. The balance of accrued leave shall be forfeited.

Other part time personnel do not accrue benefits.

Payments are recognized as expenditures when paid.

The District's estimated liability for vacation and sick leave termination benefits as of December 31, 2015 is reported on Schedule 9.

g. Long-Term Debt

See NOTE 4, *Debt Service Requirements*.

h. Other Financing Sources or Uses

The District's *Other Financing Sources or Uses* consist of District interfund transfers. Transfers by fund for 2015 are as follows:

Financing Sources	Financing Uses	Amount
Bond Fund 220	General Fund 028	\$ 369,419
General Fund 028	Bond Fund 222	\$ 425
Special Fund 154	General Fund 028	\$ 59,531
General Fund 028	General Fund 028	\$ 23,897

i. Risk Management

See NOTE 7, *Other Disclosures, Clark County Fire Rescue Risk Management Group.*

j. Reserved 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 Fire Commissioners. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts.

FFFB Fund 154 is maintained per interagency agreements in place with Clark County and Clark County Fire District 6 for the operation and maintenance of the Fairgrounds Public Safety Complex. See Note 7, *Other Disclosures.* The fund balance as of December 31, 2015 was \$3,314.

Funds held in Bond Fund 222 are strictly reserved for the purpose of voted debt redemption. The fund balance as of December 31, 2015 was \$12,915.

**NOTE 2 – PROPERTY TAXES**

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

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

A six year history of the District's regular levy rates were as follows:

<u>Year</u>	<u>Rate/\$1K</u>	<u>Valuation</u>	<u>Levy</u>
2011	\$ 1.5000000	\$ 3,124,803,709	\$ 4,687,206
2012	\$ 1.5000000	\$ 2,995,346,518	\$ 4,493,020
2013	\$ 1.5000000	\$ 2,926,734,604	\$ 4,390,102
2014	\$ 1.5000000	\$ 3,186,714,009	\$ 4,780,071
2015	\$ 1.5000000	\$ 3,517,575,607	\$ 5,276,363
2016	\$ 1.5000000	\$ 3,803,288,392	\$ 5,704,933

The District's capital bond levy\* rates were as follows:

<u>Year</u>	<u>Rate/\$1K</u>	<u>Valuation</u>	<u>Levy</u>
2011	\$ 0.1631358	\$ 1,531,639,622	\$ 249,865
2012	\$ 0.1689974	\$ 1,502,981,567	\$ 254,000
2013	\$ 0.1767296	\$ 1,493,241,396	\$ 263,900
2014	\$ 0.1663011	\$ 1,621,057,274	\$ 269,584
2015	\$ 0.1545539	\$ 1,808,754,438	\$ 279,550
2016	\$ 0.1461406	\$ 1,971,047,499	\$ 288,050

*\*Note:*

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

Delinquent taxes receivable by Fund as of December 31, 2015 was as follows:

General Fund 028	\$ 215,784
Bond Fund 222	\$ 11,007

### **NOTE 3 – DEPOSITS & INVESTMENTS**

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

The District's deposits are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the District or by the Clark County Treasurer's Office, which operates as the District's fiscal agent.

The aggregate County Pool distribution of investments (by type) as of December 31 was as follows:

Type	2015	
	Book Value*	%
Federal Agencies Semi-Annual Coupon	\$ 302.6	51.2
Treasury Coupons	\$ 250.4	42.4
WA State LGIP	\$ 38.1	6.4
Total	\$ 591.1	100.0

\* Shown in (\$) millions

The District's investments in the County's pool are not subject to categorization as specific instruments are not distinguished between those participating in the pool. The District's interest in the pool as of December 31, 2015, presented at fair value, was as follows:

General Fund 028	\$ 2,124,192
Bond Fund 222	\$ 12,871
FFFB Fund 154	\$ 6,273

### **NOTE 4 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District's debt transactions for the year ended December 31, 2015.

The debt service requirements for the District's general obligation bonds and other debt, including both principal and interest, are as follows:

	<u>GO Bonds</u>	<u>Other Debt</u>	<u>Total Debt</u>
2016	\$ 580,613	\$ -	\$ 580,613
2017	\$ 593,263	\$ -	\$ 593,263
2018	\$ 604,438	\$ -	\$ 604,438
2019	\$ 614,313	\$ -	\$ 614,313
2020	\$ 292,394	\$ -	\$ 292,394
2021-25	\$ 940,438	\$ -	\$ 940,438
2026-30	\$ -	\$ -	\$ -
2031-35	\$ -	\$ -	\$ -
TOTALS	<u>\$3,625,459</u>	<u>\$ -</u>	<u>\$3,625,459</u>

### **NOTE 5 – INTERFUND LOANS**

The District has no inter-fund loans.

### **NOTE 6 – PENSION PLANS**

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

Public Employees' Retirement System (PERS)  
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

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

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

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

Or the DRS CAFR may also be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

The District also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

As of June 30, 2015 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities<sup>1</sup>, as reported on Schedule 9, was as follows:

	Allocation %	Liability (Asset)
<b>PERS 1 UAAL</b>	0.004547%	\$ 237,850
<b>PERS 2/3</b>	0.005878%	\$ 210,024
<b>LEOFF 1</b>	0.000415%	\$ ( 5,002)
<b>LEOFF 2</b>	0.183336%	\$ (1,884,327)
<b>VFFRPF</b>	0.040000%	\$ 7,192

## **NOTE 7 – OTHER DISCLOSURES**

### ***Compliance and Accountability***

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

### ***OPEB***

The District has a commitment to pay for post-employment benefits for one LEOFF 1 retiree (1983). These benefits include medical insurance and Medicare insurance premiums.

### ***Board of Fire Commissioners***

The 2015 Board of Fire Commissioners was comprised of the following individuals:

<b>Pos</b>	<b>Name</b>	<b>Term Ending</b>
<b>1</b>	David Town	December 31, 2019
<b>2</b>	James R Johnson	December 31, 2021
<b>3</b>	Gerald Kolke	December 31, 2017
<b>4</b>	S Jon Babcock	December 31, 2017
<b>5</b>	Larry Bartel	December 31, 2019

Commissioners are elected to serve six year terms.

### ***Litigation***

As of the annual report certification date, the District has no pending litigation issues or disputes.

### ***Intergovernmental Service Contracts***

Effective March 1, 2013, the District entered into a contract to provide emergency protection services for the City of Woodland, which includes the protection of and a provision for administrative support services to Clark County Fire District 2. The contract

<sup>1</sup> For DRS Sponsored plans, the allocation percentage and collective liability for each plan is available at [www.drs.wa.gov](http://www.drs.wa.gov). For VFFRPF, the information is available at [www.bvff.wa.gov](http://www.bvff.wa.gov).



amount is calculated on the City's taxable assessed value at the District's current levy rate plus a flat amount provided by Clark 2.

In a letter dated December 29, 2014, the City of Battle Ground advised the District they intended to withdraw from the service agreement on January 1, 2016. The City advised they would be issuing a Request for Proposal (RFP) for emergency protection services. The District submitted a competitive service proposal, but the City awarded the contract to Clark County Fire District 3. The impact to the 2016 budget was estimated at \$2.4M. As a result there was a significant reduction in department staffing effective January 1, 2016. This restructuring included the elimination of five (5) administrative and nine (9) firefighter positions. The former fire chief retired on August 31, 2015. The District operated under the management of an interim Chief Administrative Officer, appointed by the Board of Fire Commissioners from September 1, 2015 through April 30, 2016. The new Fire Chief assumed management of the District on May 1, 2016.

Protection service contract revenue history is as follows:

Year	City of Battle Ground	City of Woodland
2012	\$ 1,571,288	
2013	\$ 1,739,057	\$ 914,507
2014	\$ 1,999,175	\$ 1,035,300
2015	\$ 2,252,067	\$ 1,064,637
2016		\$ 1,096,213

### **Fairgrounds Fire Facility Board**

The Fairgrounds Fire Facility Board (FFFB) was created by inter-local agreement in 1999. The Board is responsible for facility management of the Fairgrounds Public Safety Complex, which houses the Clark County Fire Marshal's Office, the Clark County Sheriff's Office West Precinct, as well as a jointly operated volunteer fire station. The FFFB is comprised of the fire chief and one fire commissioner from both Clark County Fire & Rescue and Clark County Fire District 6. Members have equal voting rights.

The calculated share of facility operations between Clark County and the FFFB has changed several times since the original agreement was signed in 1999 primarily due to reallocations of office space to meet the needs of the respective agencies.

The total facility operations cost share percentage history is as follows:

Year	Clark County	FFFB	Amendment Effective Date
1999 – 2004	45.0%	55.0%	
2005 – 2011	49.0%	51.0%	1 – 1/2005
2011 – 2013	51.0%	49.0%	2 – 7/2011
2013 – 2014	58.0%	42.0%	3 – 7/2013
2014 – 2016	59.0%	41.0%	4 – 3/2014

Remaining facility and emergency response operating costs are allocated per the terms of the revised inter-local agreement adopted January 6, 2009 between Clark 6 and Clark County Fire & Rescue.

In September 2004 the FFFB agreed to annually review, and if necessary adjust, each District's share of remaining operating costs and FFFB bond liability based on actual response from the joint facility into the respective District using a rolling 24 month assessment period. Following a 2010 agreement for equal distribution, the Districts have returned to the actual use formula beginning January, 2015. Individual fire agency cost share percentages apply to direct emergency service operating expenses and to the FFFB's percentage of the shared facility operation expenses.

The cost share percentage history is as follows:

Year	Fire District 6	Clark F&R
2009 – 2010	60.0%	40.0%
2011 – 2014	50.0%	50.0%
2015 – 2016	60.0%	40.0%

Agency contributions to the Fairgrounds Fire Facility Board Fund 154 for 2015 operations were as follows:

Agency	2015
Clark County	\$ 33,706
Clark County Fire District 6	\$ 89,296

### **Federal Grant Programs**

Board and administrative direction of the Board is to aggressively pursue all grant opportunities that support the mission and objectives of the District. Direct and indirect 2015 Federal grant expenditures did not exceed \$750 thousand.

#### Federal Grant Programs

Program	Description	Performance Period	Status
DHS SAFER 00493	Volunteer Program	8/2011 – 01/2016	Complete <sup>2</sup>
DHS SAFER 00448	(4) Firefighters 100%	2/2014 – 2/2016	Complete <sup>3</sup>
DHS AFG 00819	Smoke Detectors	9/2014 – 9/2015	Complete <sup>4</sup>
DHS AFG 05527	EMS – Heart Monitors	8/2015 – 8/2016	Ongoing

See *SEFA Schedule 16* for data related to Federal Award financial expenditures.

### **Regional Fire Authority (RFA) Planning Committee**

A Regional Fire Authority Planning Committee comprised of representatives from Clark County Fire & Rescue, Clark County Fire District 2, the City of Woodland and the City of Battle Ground was formed in 2012. The purpose of the Committee was to determine

<sup>2</sup> Close out report submitted May 16, 2016. \$168,059 in grant funding de-obligated.

<sup>3</sup> Close out report pending. Grant placed in default status and terminated due to the firefighter layoffs as a result of the loss of the City of Battle Ground contract. \$50,033 in grant funding de-obligated. The requirement to return previously disbursed grant funds was waived as grant expenditures were made in accordance with the terms and condition of the grant award.

<sup>4</sup> All eligible funds expended. Close out reporting pending.

options and feasibility of forming an RFA with the four agencies. The City of Battle Ground withdrew from the process on September 3, 2014. The remaining agencies continued to move forward with development of a formal RFA plan.

Joint Resolution No. 651, adopted in February 2015 provided for the submission of a proposition to form an RFA effective July 1, 2015 to qualified electors in a Special Election held on April 28, 2015. The final RFA Plan document was adopted by the RFA Planning Committee on March 3, 2015. The Plan and Resolution documents are published on the District's website. Several public meetings were held where affected residents were given the opportunity to discuss the Plan with agency officials, ask questions and provide input. The meetings were poorly attended. The proposition failed with 54% NO and 46% YES votes.

Despite this set back, agency officials are committed to moving forward with a plan to consolidate services between the three agencies. In November 2015 Clark County Fire & Rescue, Clark Fire District 2 and the City of Woodland adopted Joint Resolution No. 2015-11-1/664, a resolution committing to a future ballot measure proposing the consolidation of fire and EMS services through the formation of a Regional Fire Authority or an annexation into a fire district.

2015 Elected Official RFA Planning Committee Members by jurisdiction:

***Clark County Fire & Rescue (Commissioners)***

Jon Babcock  
Bob Johnson  
Jerry Kolke

***Clark County Fire District 2 (Commissioners)***

Ken Ayers  
Stan Chunn  
Dave Lester

***City of Woodland (Council Members)***

Jennifer Heffernan  
Marilee McCall  
Scott Perry

***Clark County Fire District 2 – Merger***

In a letter dated March 17, 2016, the Commissioners of Clark County Fire Protection District 2 submitted a petition for merger into Clark County Fire and Rescue. The petition was accepted per CCF&R Resolution No. 160323-2 at the March 23 meeting of the Board. The proposition for merger will be placed before the Clark 2 voters on the August 2, 2016 primary ballot.

***Clark County Fire Rescue Risk Management Group***

On October 21, 1994 under the authority of RCW 39.34 and RCW 48.62, the Secretary of State approved the creation of a nonprofit corporation: *Clark County Fire Rescue Risk Management Group (CCFRMG)*. The purpose of the

corporation is to pool risk exposure, as well as other cooperative purposes, in an effort to lower insurance premiums for the member districts. The current member districts are Clark County Fire Districts 2 and 6, Clark County Fire & Rescue, East County Fire & Rescue, Cowlitz 2 Fire & Rescue and Cowlitz County Fire District 6.

The officers and directors of the CCFRMG elected January 6, 2016 are listed below:

Chair: Casey Collins, Clark County Fire District 6  
 Vice Chair: Larry Bartel, Clark County Fire & Rescue  
 Secretary: Bill Hallanger, Cowlitz 2 Fire & Rescue  
 Exec Secretary: Tina Mensinger, Clark County Fire District 6  
 Registered Agent: Dave Taylor, Clark County Fire District 6  
 Risk Manager: Jerry Green, Clark County Fire District 6

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

<b>CCFR – Fund 028</b>	<b>12/31/15</b>
General Liability (Aggregate)	\$3,000,000
General Liability (per Occurrence)	\$1,000,000
Business & Auto Coverage (per Occurrence)	\$1,000,000
Management Liability (Aggregate)	\$3,000,000
Management Liability (each Act)	\$1,000,000
Real Property	\$13,633,398
Special Property – Boat House	\$125,000
Personal Property	\$2,058,629
Umbrella (Aggregate)	\$20,000,000
Umbrella (per Occurrence)	\$10,000,000
<b>FFFB – Fund 154</b>	<b>12/31/15</b>
Real Property Insurance	\$3,289,829
Personal Property Insurance	\$53,509