



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements Audit Report**

# **Chelan County Fire Protection District No. 7**

**(Chelan Fire and Rescue)**

**For the period January 1, 2020 through December 31, 2020**

*Published February 24, 2022*

Report No. 1029909



Find out what's new at SAO  
by scanning this code with  
your smartphone's camera



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

February 24, 2022

Board of Commissioners  
Chelan Fire and Rescue  
Chelan, Washington

**Report on Financial Statements**

Please find attached our report on Chelan Fire and Rescue's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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

## TABLE OF CONTENTS

Independent Auditor's 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.....	4
Independent Auditor's Report on the Financial Statements .....	7
Financial Section.....	10
About the State Auditor's Office.....	20

## 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*

### **Chelan Fire and Rescue January 1, 2020 through December 31, 2020**

Board of Commissioners  
Chelan Fire and Rescue  
Chelan, 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 Chelan Fire and Rescue, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 4, 2022.

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.

As discussed in Note 3 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **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 the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

## **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

January 4, 2022

# INDEPENDENT AUDITOR'S REPORT

## Report on the Financial Statements

### **Chelan Fire and Rescue January 1, 2020 through December 31, 2020**

Board of Commissioners  
Chelan Fire and Rescue  
Chelan, Washington

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Chelan Fire and Rescue, for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 10.

#### **Management's Responsibility 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 *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor 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.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, Chelan Fire and Rescue has prepared these financial statements to meet the financial reporting requirements of state law using 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 financial statements referred to above present fairly, in all material respects, the cash and investments of Chelan Fire and Rescue, and its changes in cash and investments, for the year ended December 31, 2020, on the basis of accounting described in Note 1.

### **Basis for 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. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

### **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 Chelan Fire and Rescue, as of December 31, 2020, or the changes in financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

### **Matters of Emphasis**

As discussed in Note 3 to the financial statements, the full extent of the COVID-19 pandemic’s direct or indirect financial impact on the District is unknown. Our opinion is not modified with respect to this matter.

## Other Matters

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Pat McCarthy, State Auditor

Olympia, WA

January 4, 2022

## **FINANCIAL SECTION**

### **Chelan Fire and Rescue January 1, 2020 through December 31, 2020**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2020  
Notes to Financial Statements – 2020

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

Schedule of Liabilities – 2020

**Chelan County Fire Protection District No. 7**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2020**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	1,144,034
388 / 588	Net Adjustments	3,770

**Revenues**

310	Taxes	2,153,097
320	Licenses and Permits	-
330	Intergovernmental Revenues	324,453
340	Charges for Goods and Services	104,231
350	Fines and Penalties	-
360	Miscellaneous Revenues	33,372
Total Revenues:		2,615,153

**Expenditures**

510	General Government	-
520	Public Safety	2,024,359
Total Expenditures:		2,024,359
Excess (Deficiency) Revenues over Expenditures:		590,794

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		-

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	224,332
591-593, 599	Debt Service	90,700
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		315,032

**Increase (Decrease) in Cash and Investments:**

**275,762**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	1,423,564
<b>Total Ending Cash and Investments</b>		<b>1,423,564</b>

See accompanying notes to the financial statements

NOTES to FINANCIAL STATEMENTS for  
Chelan County Fire Protection District 7  
MCAG: 1047  
For YEAR END  
December 31, 2020

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

The Chelan County Fire Protection District 7 was incorporated on October 31, 1955 and operates under the laws of the state of Washington, applicable to a fire protection district. The Chelan County Fire Protection District 7 is a special purpose local government and provides fire suppression, fire prevention and public education.

The Chelan County Fire Protection District 7 reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

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

**A. Fund Accounting**

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

GOVERNMENTAL FUND TYPES:

**General Fund**

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$500. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to two (2) times yearly earned annual leave and is payable upon separation or retirement. Sick leave may be accumulated up to 1040 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5 - *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by Chelan County Fire District 7 Board of Commissioners. When expenditures that meet restrictions are incurred, the County Fire District 7 Board of Commissioners intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$0.00.

**Note 2 - Budget Compliance**

H. Budgets

The Chelan County Fire Protection District 7 adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level, the general current expense fund, where budget is adopted at the department 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.

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

Fund/Department	Final appropriated Amounts	Actual Expenditures	Variance
General Fund: 001	2,237,546	2,339,390	101,844

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; 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 Chelan County Fire Protection District 7 legislative body.

**Note 3 – COVID-19 Pandemic**

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

The Governor’s declaration of a state of emergency in response to the Covid virus pandemic had an immediate impact on our operational capabilities in providing emergency service response to our community. Initially we move into emergency operations mode utilizing an ICS that focused on the operational priorities for the communities of Chelan, Manson, Entiat, and Orondo. This group comprise of community leaders worked under the direction of the Chelan-Douglas Emergency Management in coordination with the Chelan-Douglas Health District in the identification, testing, and care for community members. In addition, CF&R implemented improved infection control measures, increased stockpiles of necessary PPE, and worked with local agencies to coordinate effective emergency operations while minimizing possible exposure to a small workforce. CF&R and Lake Chelan Health EMS cooperatively worked together in obtaining the vaccine needed to provide vaccinations (first & second dose) to all emergency responders (Fire, EMS, Law Enforcement, Emergency Dispatch, Healthcare Providers) in Chelan and Douglas counties. Long term, we are working towards an effective community vaccination program based upon or success with the First responder program in addition to continued testing for viral tracking. The financial impacts have been primarily on personnel costs due to backfill for employees out sick with the virus, increased PPE needs, improved infection control measures, and personnel/facility costs for our community vaccination programs. This financial impact has directly impacted our annual operating budget and we believe that this financial impact will continue until completion of the community vaccination program.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the Chelan County Fire Protection District 7 is unknown at this time.

**Note 4 – Deposits and Investments**

Investments are reported at the original cost. Deposits and investments by type at December 31, 2020, are as follows:

Type of deposit or investment	Chelan County Treasurer	Total
Bank Deposits	\$703,132	\$703,132
Local Government Investment Pool	\$718,405	\$718,405
<b>Total</b>	<b>\$1,421,537</b>	<b>\$1,421,537</b>

Investments in Chelan County Investment Pool

The Chelan County Fire District 7 is a voluntary participant in the Chelan County investment pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather; oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The Chelan County Fire District 7 reports its investment in the pool at fair value, which is the same as the value of the pool per share. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Chelan County Fire Protection District 7 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 Chelan County Fire Protection District 7 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 Chelan County Fire Protection District 7 or its agent in the government’s name.

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

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Chelan County Fire District 7 and summarizes the Chelan County Fire District 7 debt transactions for year ended December 31, 2020.

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

Year	Principle	Interest	Total
2021	60,000	28,900	88,900
2022	70,000	27,400	97,400
2023	70,000	25,300	95,300
2024	70,000	23,200	93,200
2025	75,000	21,100	96,100
2026-2030	395,000	64,900	459,900
2031	85,000	3,400	88,400
TOTALS	825,000	194,200	1,019,200

## **Note 6 – Paid Family Medical Leave Act Self-Insurance**

The Chelan County Fire District 7 administers a voluntary plan for paid family and/or medical leave benefits for its employees. Voluntary plans are approved by the Employment Security Department and are available for employers who wish to opt out of the State of Washington's Paid Family & Medical Leave Program for either family leave benefit, medical leave benefit, or both, and instead administer their own internal plan. Employers with voluntary plans are required to offer benefits that are equal to or exceed the benefits offered by the State's program and must report employee hours, wages, premiums deducted from employee pay, and other information to the Employment Security Department on a quarterly basis.

The Chelan County Fire District 7 employees participate in paid family medical leave benefits. Chelan County Fire District 7 is under the 50 employees, the Fire District does not contribute to State of Washington's Paid Family & Medical Leave Program. Chelan County Fire District reports on a quarterly basis to Employment Security Department.

The Chelan County Fire District 7 paid \$0.00 in claims during 2020 and withheld \$2,863.46 of employee deducted premiums at fiscal year-end December 31, 2020.

## **Note 7 – Pension Plans**

### A. State Sponsored Pension Plans

Substantially all Chelan County Fire District 7 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 PERS 2/3 and LEOFF 2.

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 (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  
P.O. Box 48380  
Olympia, WA 98540-8380

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

The Chelan County Fire District 7 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).

At June 30, 2020 (the measurement date of the plans), the Chelan County Fire District 7 proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	8,467.00	0.001168	41,237.00
PERS 2/3	14,088.00	0.001529	19,555.00
LEOFF 2	42,022.39	0.021482	(438,201.00)
VFFRPF	1,380.00	0.71	(250,353.67)

LEOFF Plan 1

The Chelan County Fire District 7 does not participate in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The Chelan County Fire District 7 also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

B. Defined Contribution Pension Plans

Chelan County Fire District 7 participates in the Department of Retirement Systems Deferred Compensation Program. The program is a tax deferred program IRC section 457 plan administered by Washington State Department of Retirement Systems.

- LEOFF II employees, employed prior to 04-01-2016 and current are entitled to the then Social Security District contribution of 6.2% of the salaried wage into their deferred compensation account.
- Two contractual employees, the district contributes 3% and 10% of salary into their deferred compensation account.
- One PERS 3 and One PERS 2 employee, the district contributes 3% of salary into their deferred compensation account.

Chelan County Fire District 7 contributed \$57,541.47 in 2020 to DCP

**Note 8 - Property Tax**

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

Property tax revenues are recognized when cash is received by Chelan County Fire District 7. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Chelan County Fire District 7 regular levy for the year 2020 was \$0.87 per \$1,000 on an assessed valuation of \$2,515,265,760 for a total regular levy of \$2,069,493.64.

### **Note 9 – Risk Management**

The District's industrial insurance is provided by Washington State and is administered by the Department of Labor and Industries. Coverage is purchased by means of standard rates per working hour and is computed by the total number of hours worked by employees multiplied by the basic premium rate assigned to the business risk classification. The following are benefits provided by industrial insurance: medical services, damaged clothing, travel expenses, time-loss payments, vocational rehabilitation, partial disability awards, pension awards and survivor benefits.

Unemployment compensation is managed through the Federal/State system, which provides some compensation to workers who are temporarily and involuntarily unemployed. It is administered in Washington State by the Employment Security Department in accordance with provisions of the Employment Security Act. The District's employer status for unemployment insurance is as a "reimbursable" employer. In the event of unforeseen numerous unemployment claims subject to payment the Fire District has funds in the general investment fund to cover the expenditure.

The Districts insurance carrier is Nicholson and Associates Insurance. The most recent renewal of coverage is in effect as of 09-01-2020 through 09-01-2021. The District maintains insurance against most normal hazards and general liability claims against the District. The policies include coverage for property, liability, auto, and errors and omissions. Issuing company is Continental Western Insurance Company. The insurance coverage is not a pool entity. In 2020 no claims filed under the fire districts insurance Nicholson and Associates carrier.

END

**Chelan County Fire Protection District No. 7**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	GO Bonds nonvoted	12/1/2031	885,000	-	60,000	825,000
	<b>Total General Obligation Debt/Liabilities:</b>		<b>885,000</b>	<b>-</b>	<b>60,000</b>	<b>825,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liability		74,250	-	13,458	60,792
259.12	Compensated Absences	12/31/2020	70,895	27,485	-	98,380
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>145,145</b>	<b>27,485</b>	<b>13,458</b>	<b>159,172</b>
	<b>Total Liabilities:</b>		<b>1,030,145</b>	<b>27,485</b>	<b>73,458</b>	<b>984,172</b>

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

### Other ways to stay in touch

- Main telephone:  
(564) 999-0950
- Toll-free Citizen Hotline:  
(866) 902-3900
- Email:  
[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)