



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Mountain View Fire & Rescue

For the period January 1, 2019 through December 31, 2019

Published February 18, 2021

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

February 18, 2021

Board of Commissioners
Mountain View Fire and Rescue
Auburn, Washington

Report on Financial Statements

Please find attached our report on Mountain View 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

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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*

Mountain View Fire and Rescue January 1, 2019 through December 31, 2019

Board of Commissioners
Mountain View Fire and Rescue
Auburn, 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 Mountain View Fire and Rescue, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 11, 2021.

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 9 to the financial statements, in February 2020, a state of emergency was declared, which could have a negative financial effect on the District.

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 style with a large, sweeping initial "P".

Pat McCarthy
State Auditor
Olympia, WA

February 11, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Mountain View Fire and Rescue January 1, 2019 through December 31, 2019

Board of Commissioners
Mountain View Fire and Rescue
Auburn, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Mountain View Fire and Rescue, for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

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, Mountain View 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 Mountain View Fire and Rescue, and its changes in cash and investments, for the year ended December 31, 2019, 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 Mountain View Fire and Rescue, as of December 31, 2019, 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 9 to the financial statements, in February 2020, a state of emergency was declared, which could have a negative financial effect on the District. 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 February 11, 2021 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy

State Auditor

Olympia, WA

February 11, 2021

FINANCIAL SECTION

Mountain View Fire and Rescue January 1, 2019 through December 31, 2019

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2019
Notes to Financial Statements – 2019

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2019

Mountain View Fire & Rescue
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		<u>Total for All Funds (Memo Only)</u>	<u>001 Expense 10- 044-0010</u>	<u>200 Bond Pymnt 2008/09 10-044-8510</u>	<u>201 COP Loan (s) 10-044-8880</u>
Beginning Cash and Investments					
30810	Reserved	56,773	-	55,295	-
30880	Unreserved	3,407,713	3,208,171	-	3,514
388 / 588	Net Adjustments	205	162	43	-
Revenues					
310	Taxes	5,304,588	4,743,491	561,097	-
320	Licenses and Permits	865	865	-	-
330	Intergovernmental Revenues	13,398	13,374	24	-
340	Charges for Goods and Services	950,228	950,228	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	307,284	297,789	4,875	264
Total Revenues:		<u>6,576,363</u>	<u>6,005,747</u>	<u>565,996</u>	<u>264</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	6,093,936	6,093,066	870	-
Total Expenditures:		<u>6,093,936</u>	<u>6,093,066</u>	<u>870</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		482,427	(87,319)	565,126	264
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	40,870	40,870	-	-
397	Transfers-In	58,375	-	-	58,375
385	Special or Extraordinary Items	155	155	-	-
386 / 389	Custodial Activities	73,591	73,591	-	-
381, 382, 395, 398	Other Resources	35,331	35,331	-	-
Total Other Increases in Fund Resources:		<u>208,322</u>	<u>149,947</u>	<u>-</u>	<u>58,375</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	121,773	121,773	-	-
591-593, 599	Debt Service	620,909	-	562,534	58,375
597	Transfers-Out	58,375	58,375	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	(13,972)	(13,972)	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>787,085</u>	<u>166,176</u>	<u>562,534</u>	<u>58,375</u>
Increase (Decrease) in Cash and Investments:		(96,336)	(103,548)	2,592	264
Ending Cash and Investments					
5081000	Reserved	59,460	-	57,929	-
5088000	Unreserved	3,308,896	3,104,786	-	3,778
Total Ending Cash and Investments		<u>3,368,356</u>	<u>3,104,786</u>	<u>57,929</u>	<u>3,778</u>

Mountain View Fire & Rescue
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		300 Capital Replacement 10-044-3010	301 2008-09 Bnd Prj (7.5Mil) 10-044-8512	315 District 17 Capital Reserve
Beginning Cash and Investments				
30810	Reserved	-	1,144	334
30880	Unreserved	196,028	-	-
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	4,303	28	25
Total Revenues:		4,303	28	25
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
Total Expenditures:		-	-	-
Excess (Deficiency) Revenues over Expenditures:		4,303	28	25
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 382, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581, 582	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	-	-
Increase (Decrease) in Cash and Investments:		4,303	28	25
Ending Cash and Investments				
5081000	Reserved	-	1,172	359
5088000	Unreserved	200,332	-	-
Total Ending Cash and Investments		200,332	1,172	359

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

Mountain View Fire and Rescue was incorporated on January 6, 1953 and operates under the laws of the state of Washington applicable to a fire protection district. The district is a special purpose local government and provides fire and life safety (EMS).

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements. (see note 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 not presented using the classifications defined 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:

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

Fund Types & Funds	Number Range	Have	Do Not Have
Governmental Fund Types		X	
General Fund	000-099	X	
Special Revenue Funds	100-199		
Debt Service Funds	200-299	X	
Capital Projects Funds	300-399	X	
Permanent Funds	700-799		X
Proprietary Fund Types			
Enterprise Funds	400-499		X
Internal Service Funds	500-599		X
Fiduciary Fund Types			
Pension	610-619		X
Investment Trust Funds	600-609		X
Private-Purpose Funds	620-629		X
Custodial Funds	630-699		X

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

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

B. Basis of Accounting and Measurement Focus

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

In accordance with state law the district also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - Deposits and Investments.

D. Capital Assets

Capital Asset - item or equipment with: 1) asset value over five thousand dollars (\$5,000), 2) a useful life of one or more years, and 3) legally considered either real or personal property. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave is addressed by Policy 2.11, a collective bargaining agreement and personal services contracts. Generally, vacation must be used in the year it is earned. The Chief may authorize vacation leave being carried over to the following year. Typically those authorizations include the stipulation that the leave will be used during the first few months of the year. Administrative personnel on personal services contracts may elect to carry over 40 hours of vacation from one year to the next. Sick leave may be accumulated up to 1,200 hours. Upon separation or retirement employees may receive payment for up to 960 hours unused sick leave at 25%. Payments are recognized as expenditures when paid.

Employees covered under the collective bargaining agreement may accumulate a maximum of 120 hours of compensatory leave. Other employees may accumulate a maximum of 100 hours by Policy 2.15.

The total value of earned but unpaid compensated absences as of December 31, 2019 is \$269,058, a reduction of \$23,290 from the prior year.

E. Long-Term Debt

See Note 4 - Debt Service Requirements.

F. 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 our Board of Commissioners. When expenditures that meet restrictions are incurred, the district intends to use reserved resources first before using unreserved amounts.

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

Reservations of Ending Cash and Investments consist of:

Fund Name	Amount	
	Reserved	Reason for Restriction
Bond Payment	\$57,929	Repayment of 2008 and 2009 GO Bonds
Bond Project	\$1,172	Capital Acquisition and Construction
District 17 Reserve	\$359	Capital Acquisition and Construction Benefiting Station 98 Service Area

Note 2 – Budget Compliance

The district adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except 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 appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - Expense 10-044-0010			
Expense 10-044-0010	6,640,703.00	6,256,216.32	384,486.68
44 Reserve 10-044-6010	476	2,480.11	-2,004.11
Maint. And Ops Levy 10-044-0020	10	544.83	-534.83
Emerg Operating Fund 10-044-1010	150		150
Total 001 - Expense 10-044-0010	6,641,339.00	6,259,241.26	382,097.74
200 - Bond Pymnt 2008/09 10-044-8510	563,348.00	563,404.30	-56.3
201 - COP Loan(s) 10-044-8880	58,375.00	58,375.00	
300 - Capital Replacement 10-044-3010	145		145
301 - 2008-09 Bnd Prj (7.5Mil) 10-044-8512	7		7

Budgeted amounts are authorized to be transferred between 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 district's legislative body.

Ad Valorem Tax charges exceeding projections resulted in variances in the 44 Reserve and the M & O Levy funds.

Larger than projected bond service costs left a variance in the Bond Payment Fund.

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

Note 3 – Long-term Debt

Debt Service

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 year ended December 31, 2019.

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

Year	Principal	Interest	Total Debt Service
2020	430,000	196,615	626,615
2021	445,000	180,920	625,920
2022	455,000	164,745	619,745
2023	475,000	148,215	623,215
2024	500,000	130,850	630,850
2025-2029	2,445,000	310,175	2,755,175
<i>Totals</i>	\$ 4,750,000	\$ 1,131,520	\$ 5,881,520

Note 4 – Deposits and Investments

Investments are reported at fair value. Investments by type at December 31, 2019 are as follows:

Type of Deposit or Investment	District's own deposits & investments	Deposits & investments held by the county as an agent for other local governments, individuals, or private organizations.	Total
Checking Accounts	6,000		6,000
King County Investment Pool		\$ 3,362,356	3,362,356
<i>Totals</i>	\$ 6,000	\$ 3,362,356	\$ 3,368,356

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 King County Investment pool

The District is a voluntary participant in the King County investment pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with [RCW 36.48.070](#). The District reports its investment in the pool at fair value, which is the same as the value of the pool per share.

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

Custodial Credit Risk

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

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

Note 5 - Other Disclosures

Cash-Impaired investments are now included in the 2019 beginning balance at the 2018 guidance of the State Auditor's Office. Revenue from Cash-Impaired Investments was previously booked as a cash receipt upon receipt.

Mountain View received a distribution of \$40,870 in May 2019 from the State Treasurer's Office related to our participation in a 2018 COP loan. Mountain View completed the partial renovation of a fire station in 2018 then financed that renovation through the State LOCAL Loan program. The 2019 distribution came following documentation of construction related expenses.

The district provides fire protection and basic life support services in the City of BlackDiamond under an inter-local agreement. The district has signed joint purchasing agreements with LOTT Alliance, municipal corporations of the State of Washington, North Mason Regional Fire Authority, Puget Sound Regional Fire Authority and the City of Tacoma in order to procure supplies at an efficient cost.

Mountain View joined the South King County Fire Training Consortium in January 2019.

Mountain View also determined in 2019 to join the South King County Fire Garage consortium for vehicle maintenance and repair. Our participation started in February 2020.

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all 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 (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

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

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available 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

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

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

Also, the DRS CAFR may be downloaded from the DRS website at 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.

At June 30, 2019 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan Type	Employer Contributions	Plan Liability / Asset	Allocation Percentage	NPL	NPA
PERS 1 UAAL		3,845,355,000	0.00215388%	82,824	
PERS 2/3	22725.25	971,340,000	0.00278245%	27,027	
					-
LEOFF 2	166772.29	(2,316,693,000)	0.09045432%		(2,095,549)
VFFRPF	210	(67,993,000)	0.110000%		(71,907)
			<i>Totals</i>	\$ 109,851	\$ (2,167,456)

LEOFF Plan 2

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

Note 7 - Property Tax

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

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

The district's regular levy for the year 2019 was \$1.50 per \$1,000 on an assessed valuation of \$3,169,398,776 for a total regular levy of \$4,754,548.

Levy Type	Assessed Valuation		
	Per \$1000		Amount
Regular	1.5	3,169,698,776.00	4,754,548
G.O. Bond (2008)	0.125	3,169,698,776.00	397,150
G.O. Bond (2009)	0.084	3,169,698,776.00	264,958

Mountain View Fire and Rescue
Notes to the Financial Statements
For the year ended December 31, 2019

Note 8 – Risk Management

Policy holders pay an annual premium to Volunteer Fireman’s Insurance Services (VFIS), in lieu of a membership assessment. VFIS is responsible for payment of all covered causes of loss against the District above the stated deductible, if any. Portable equipment and real and personal property are covered at either actual cash value, replacement cost or guaranteed replacement cost. VFIS provides general, automobile and management liability on an “occurrence” and/or “claims-made” basis, subject to a “follow form” umbrella, if elected. The most common sub-limit of liability starts at \$1M, while aggregate limits may reach as high as \$20M.

The District is self-insured for employment security. The district pays claims to the Employment Security Department on a reimbursable basis. There were no payments to Employment Security in 2019. We project a liability of \$40,349 for 2020 based on the formula from the L & I website.

Note 9 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

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

**Mountain View Fire & Rescue
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Bond	12/30/2028	2,460,000	-	210,000	2,250,000
251.11	Bond	12/30/2029	2,215,000	-	165,000	2,050,000
263.96	COP Series 2018C	6/1/2028	485,000	-	35,000	450,000
Total General Obligation Debt/Liabilities:			5,160,000	-	410,000	4,750,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		292,348	-	23,290	269,058
264.30	Net Pension Liability		164,110	-	54,259	109,851
Total Revenue and Other (non G.O.) Debt/Liabilities:			456,458	-	77,549	378,909
Total Liabilities:			5,616,458	-	487,549	5,128,909

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.

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

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