



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Clark Regional Emergency Services Agency

For the period January 1, 2024 through December 31, 2024

Published September 29, 2025

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

September 29, 2025

Board of Directors
Clark Regional Emergency Services Agency
Vancouver, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Clark Regional Emergency Services Agency's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Clark Regional Emergency Services Agency

January 1, 2024 through December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Clark Regional Emergency Services Agency are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Agency.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Agency’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
97.067	Homeland Security Grant Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Agency did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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*

Clark Regional Emergency Services Agency

January 1, 2024 through December 31, 2024

Board of Directors
Clark Regional Emergency Services Agency
Vancouver, 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 the Clark Regional Emergency Services Agency, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated September 22, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or

significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency'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, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

September 22, 2025

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Clark Regional Emergency Services Agency January 1, 2024 through December 31, 2024

Board of Directors
Clark Regional Emergency Services Agency
Vancouver, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Clark Regional Emergency Services Agency, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2024. The Agency's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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

September 22, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Clark Regional Emergency Services Agency

January 1, 2024 through December 31, 2024

Board of Directors
Clark Regional Emergency Services Agency
Vancouver, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of the Clark Regional Emergency Services Agency, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Clark Regional Emergency Services Agency, as of December 31, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters of Emphasis

As discussed in Note 13 to the financial statements, in 2024, the Agency adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025 on our consideration of the Agency'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 the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency'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, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 22, 2025

FINANCIAL SECTION

Clark Regional Emergency Services Agency January 1, 2024 through December 31, 2024

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2024

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2024

Statement of Revenues, Expenses and Changes in Fund Net Position – 2024

Statement of Cash Flows – 2024

Notes to Financial Statements – 2024

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3, PSERS – 2024

Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS – 2024

Notes to Required Supplemental Information – Pensions – 2024

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2024

Notes to the Schedule of Expenditures of Federal Awards – 2024

CLARK REGIONAL EMERGENCY SERVICES AGENCY

Management's Discussion and Analysis

December 31, 2024

The Clark Regional Emergency Services Agency's discussion and analysis is a narrative overview of the Agency's financial activities for the year ended December 31, 2024. The information presented here should be read in conjunction with the financial statements and notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

- At the end of December 31, 2024, the total net position of the Clark Regional Emergency Services Agency (CRESA) exceeded its liabilities by \$17,698,963. Of this amount, \$4,798,356 may be used to meet the agency's ongoing obligations to citizens and creditors.
- The Agency's total net position declined by \$105,736 driven by an excess of general operating expenses over revenues.
- As of December 31, 2024, CRESA reported \$3,377,649 restricted net position associated with the pension asset and related deferred inflows and outflows recorded for PERS plans 2 and 3 and PSERS.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provide an introduction and overview to the Clark Regional Emergency Services Agency's (the Agency's) basic financial statements. This information will assist users in interpreting the basic financial statements. We will also provide other financial discussion and analysis of certain plans, projects, and trends necessary for understanding the full context of the financial condition of the Agency.

Basic Financial Statements

The basic financial statements comprise two components: 1) enterprise fund financial statements, and 2) notes to the financial statements. The Agency is a special purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Enterprise Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clark Regional Emergency Services Agency, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. The Agency's funds are reported as a single enterprise fund. The financial statements consist of a statement of net position, statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the financial statements.

FINANCIAL ANALYSIS

Statement of Net Position

The Agency's total net position was \$17,698,963 at December 31, 2024. Of this amount, \$3,377,649 is restricted for pensions and \$4,798,356 is unrestricted and available to meet the ongoing needs of the government.

Our analysis below focuses on the net position and the change in net position of the special purpose government as a whole.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

Management's Discussion and Analysis

December 31, 2024

NET POSITION

December 31, 2024 and 2023

	2024	2023	Change	%
Assets:				
Current and other assets	\$ 10,895,959	\$ 11,181,262	\$ (285,303)	-3%
Capital assets, net	13,927,543	14,295,705	(368,162)	-3%
Total Assets	<u>24,823,502</u>	<u>25,476,967</u>	<u>(653,465)</u>	<u>-3%</u>
Deferred outflow of resources	2,588,073	2,117,579	470,494	22%
Liabilities:				
Current and other liabilities	2,372,959	2,230,256	142,703	6%
Noncurrent liabilities	<u>6,473,911</u>	<u>5,972,671</u>	<u>501,240</u>	<u>8%</u>
Total Liabilities	8,846,870	8,202,927	643,943	8%
Deferred inflows of resources	865,742	1,457,655	(591,913)	-41%
Net Position:				
Net investment in capital assets	9,522,958	10,677,575	(1,154,617)	-11%
Restricted for pensions	3,377,649	2,981,921	395,728	13%
Unrestricted	<u>4,798,356</u>	<u>4,274,468</u>	<u>523,888</u>	<u>12%</u>
Total Net Position	<u>\$ 17,698,963</u>	<u>\$ 17,933,964</u>	<u>\$ (235,001)</u>	<u>-1%</u>

2024 is not reported consistently with 2023 because the Agency implemented GASB 101 which required an analysis of compensated absences under the new definition. Total liabilities in the 2024 column present compensated absences measured under a new standard which is creating a larger liability. If 2023 was restated, liabilities would be increased by \$129,265. See note 13.

The largest component of "current and other assets" historically is made up of cash, cash equivalents and pooled investments, which represents 77% and 66%, respectively, in 2024 and 2023. The decrease in current and other assets is primarily driven by a \$966,998 or 13% increase in cash and cash equivalents, offset by the decrease of the pension asset by 26% or \$588,633, as well as a decrease of 45% or \$501,156 in prepaid assets.

Capital assets realized a minor change in 2024 with a net decrease of \$368,162, or 3%. Changes to capital assets throughout 2024 include the additions of right to use assets, buildings and improvements, equipment, as well as work in progress projects, offset by intangible asset and equipment disposals along with routine depreciation and amortization costs.

Current liabilities increased 6%, or \$142,703 from 2023 to 2024. This change is primarily driven by a \$48,360 or 10% increase in accrued liabilities, as well as a \$96,858 or 242% increase in SBITA liability due to the addition of a right to use asset.

Noncurrent liabilities increased 8%, or \$501,240 in 2024 from 2023. This increase is primarily related to the addition of an \$1,075,024 SBITA liability, offset with principal payments made in 2024. This is offset by a \$274,150, or 28% decrease in net pension liability.

Deferred inflows decreased by \$591,913 or 41%, while deferred outflows of resources increased by \$470,494 or 22%. The main driving factor behind these changes was the deferred inflows and outflows related to the Net Pension Asset.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

Management's Discussion and Analysis

December 31, 2024

Net investment in capital assets as a percentage of total net position was 56% in 2024 and 60% in 2023. At the end of fiscal year 2024, the investment in capital assets decreased \$1,154,617, or 11% based on the 2024 capital asset activity. This decrease is due to the asset activity detailed above and is offset by the lease and SBITA liabilities. Unrestricted net position increased by \$523,888 or 12% in 2024 over 2023 driven by the increase in overall net position and the increase in net position restriction for pensions.

For the last three years, the Clark Regional Emergency Services Agency reports positive balances in all applicable categories of net position.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

Management's Discussion and Analysis

December 31, 2024

Statement of Changes in Fund Net Position

The Agency's ending net position decreased \$235,001, or 1%, in 2024. The key elements of this change are identified in the following condensed version of the Statement of Revenues, Expenses and Changes in Fund Net Position for the Agency.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

December 31, 2024 and 2023

	2024	2023	Change	%
Revenues				
Operating Revenues				
Charges for Services	\$ 9,758,741	\$ 7,659,106	\$ 2,099,635	27%
Nonoperating Revenues				
Intergovernmental Transfer	5,214,155	5,073,750	140,405	3%
Operating Grant	877,214	713,989	163,225	23%
Miscellaneous	134,740	111,975	22,765	20%
Interest Earned (loss)	412,885	432,836	(19,951)	5%
Gain (loss) on Disposal of Assets	(379,494)	6,731	(386,225)	5738%
Total Revenues	16,018,241	13,998,387	2,019,854	14%
Expenses				
Operating Expenses				
Salaries and Benefits	10,593,592	9,927,595	665,997	7%
Other Services and Charges	3,178,991	3,395,901	(216,910)	-6%
Supplies	221,304	180,694	40,610	22%
Depreciation	1,989,703	2,101,221	(111,518)	-5%
Nonoperating Expenses	140,387	172,951	(32,564)	-19%
Total Expenses	16,123,977	15,778,362	345,615	2%
Income Before Contributions	(105,736)	(1,779,975)	1,674,239	94%
Contributions	-	50,000	(50,000)	-100%
Increase (decrease) in Net Position	(105,736)	(1,729,975)	1,624,239	94%
Net Position - Beginning	17,933,964	19,724,482	(1,790,518)	-9%
Change in Accounting Principles	(129,265)	(60,543)	(68,722)	114%
Net Position - Ending	\$ 17,698,963	\$ 17,933,964	\$ (235,001)	-1%

See note 13 for an explanation of the change in accounting principle.

Total revenues in 2024 were higher than those in 2023, increasing by \$2,019,854. The operating revenues increased \$2,099,635, or 27%, from 2023 to 2024 to cover budgeted costs. The primary source of operating revenue each year are user fees based on the Agency's operating budget, and forecasted technology, equipment, and repair needs.

Non-operating revenues decreased by \$79,781, driven primarily by a \$386,225 increase in loss on the disposal of an asset, offset by an increase in operating grant revenue of \$163,225 (increased funding) and an increase in intergovernmental transfers of \$140,405 (911tax increase).

Total expenses in 2024 increased by \$345,615, or 2%, compared to 2023. This increase is primarily the result of a \$665,997, or 7% salaries and benefits expense increase which is in part from an increase in

CLARK REGIONAL EMERGENCY SERVICES AGENCY

Management's Discussion and Analysis

December 31, 2024

wages and in part due to an increase in compensated absence expense, offset with a decrease in other services and charges.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Clark Regional Emergency Services Agency's investment in property, plant, equipment and right to use intangible assets as of December 31, 2024, and 2023 is \$13,927,543 and \$14,295,705, respectively (net of accumulated depreciation). This reflects a decrease in capital assets of \$368,162 compared to 2023. This change is primarily driven by a increase in right to use and capital assets offset by normal depreciation and amortization, as well as the disposal of intangible assets.

Capital Assets (net of depreciation / amortization)

	2024	2023
Work in Progress	\$ 260,647	\$ 27,909
Buildings and Improvements	4,922,130	4,784,527
Intangible Assets	525,535	1,068,997
Equipment	3,854,408	4,787,005
Radio Tower Sites (Right to Use)	2,039,200	2,242,416
Office Equipment (Right to Use)	7,254	1,668
SBITAs (Right to Use)	2,318,369	1,383,183
Total	\$ 13,927,543	\$ 14,295,705

Readers interested in more detail related to capital assets should read the capital asset Note 3 in the notes to the financial statements.

Long-Term Debt

At December 31, 2024, the Agency had no long-term debt. The Long-term liabilities represent compensated absences payable to employees, net pension liability, the asset retirement obligation liability, lease liabilities, and SBITA liabilities. More information can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Agency is primarily dependent upon funding from Clark County, the City of Vancouver, and other various cities and political districts involved with the Agency. 911 taxes collected by Clark County are paid to CRESA for provision of 911 call intake and dispatch services. In 2024, this represents about 33% of total revenues. To date, this revenue has not been susceptible to decreases related to the economic environment and consumer attitude. While the Agency is not dependent upon typical taxes, decreases in taxes of other governments affect the Agency.

Requests for Information

This financial report is designed to provide a general overview of the Clark Regional Emergency Services Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Director, Clark Regional Emergency Services Agency, 710 W 13th Street, Vancouver, Washington, 98660.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
STATEMENT OF NET POSITION
December 31, 2024

	<u>2024</u>
Assets	
Current assets	
Cash, cash equivalents and pooled investments	\$ 8,376,924
Accounts receivable	53,775
Lease receivable	11,732
Due from other governments	81,758
Prepaid expense	606,656
Total current assets	<u>9,130,845</u>
Noncurrent assets	
Lease receivable	85,741
Capital assets, not being depreciated	260,647
Capital assets, being depreciated / amortized (net)	13,666,896
Net Pension asset	1,679,373
Total noncurrent assets	<u>15,692,657</u>
Total assets	<u>24,823,502</u>
Deferred outflows of resources	
Deferred outflows related to pensions	2,527,258
Deferred outflows related to asset retirement obligations	60,815
Total deferred outflows	<u>2,588,073</u>
Liabilities	
Current liabilities	
Accounts payable	662,614
Interest payable	77,553
Due to other governments	15,641
Lease liability	109,773
SBITA liability	136,815
Retainage payable	59,574
Accrued liabilities	514,655
Compensated absences payable	796,334
Total current liabilities	<u>2,372,959</u>
Noncurrent Liabilities	
Lease liability	2,046,040
SBITA liability	2,111,957
Compensated absences payable	187,267
Net pension liability	704,001
Asset retirement obligation	1,424,646
Total noncurrent liabilities	<u>6,473,911</u>
Total liabilities	<u>8,846,870</u>
Deferred inflows of resources	
Deferred inflows related to pensions	771,049
Deferred inflows related to leases	94,693
Total deferred inflows	<u>865,742</u>
Net position	
Net investment in capital assets	9,522,958
Restricted for pensions	3,377,649
Unrestricted	4,798,356
Total Net Position	<u>\$ 17,698,963</u>

CLARK REGIONAL EMERGENCY SERVICES AGENCY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2024

	<u>2024</u>
Operating revenues	
Charges for services	\$ 9,758,741
Total operating revenue	<u>9,758,741</u>
Operating expenses	
Employee salaries and benefits	10,593,592
Supplies	221,304
Other services and charges	3,000,899
Intergovernmental	178,092
Depreciation / amortization	<u>1,989,703</u>
Total operating expenses	15,983,590
Operating income (loss)	(6,224,849)
Nonoperating revenues (expenses)	
Intergovernmental	5,214,155
Interest earnings (losses)	412,885
Operating grants	877,214
Interest and fiscal charges	(140,387)
Gain (loss) on disposal of capital assets	(379,494)
Miscellaneous	<u>134,740</u>
Total nonoperating revenues (expenses)	6,119,113
Decrease in net position	(105,736)
Net position beginning of year	17,933,964
Change in accounting principles	<u>(129,265)</u>
Net position end of year	<u><u>\$ 17,698,963</u></u>

CLARK REGIONAL EMERGENCY SERVICES AGENCY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

	<u>2024</u>
Cash flows from operating activities:	
Cash received from users	\$ 9,764,775
Cash received from other operating activities	134,232
Cash payments for goods and services	(2,954,457)
Cash payments to employees	(11,143,398)
Net cash provided by (used in) operating activities	<u>(4,198,848)</u>
Cash flows from noncapital financing activities:	
Intergovernmental receipts	5,214,155
Grant revenues received	877,214
Net cash provided by (used in) noncapital financing activities	<u>6,091,369</u>
Cash flows from capital and related financing:	
Payments on leased right to use assets	(157,826)
Payments on SBITAs	(140,005)
Interest paid on SBITAs and leases	(123,828)
Purchase of capital assets	(916,749)
Net cash provided by (used in) capital financing activities	<u>(1,338,408)</u>
Cash flows from investing activities:	
Investment interest	412,885
Net cash provided (used) by investing activities	<u>412,885</u>
Net increase (decrease) in cash and cash equivalents	966,998
Cash and cash equivalents at Jan. 1	<u>7,409,926</u>
Cash and cash equivalents at Dec. 31	<u>\$ 8,376,924</u>
Reconciliation of operating income (loss) to net cash used by operating activities:	
Operating income (loss)	\$ (6,224,849)
Adjustments to reconcile net operating income (loss) to net cash provided by operations:	
Depreciation and amortization	1,989,703
Other non-operating revenues	134,740
Decrease (increase) in accounts receivable	6,690
Decrease (increase) in due from other governments	144,746
Decrease (increase) in prepaid items	501,156
Increase (decrease) in vouchers payable	(101,918)
Increase (decrease) in due to other governments	(1,242)
Increase (decrease) in accrued liabilities	178,089
Increase (decrease) in pension related items	(713,671)
Increase (decrease) in lease related items	(1,164)
Increase (decrease) in asset retirement obligation related items	(111,128)
Total Adjustments	2,026,001
Net cash provided (used) by operating activities	<u>\$ (4,198,848)</u>
Non cash investing, capital and financing activities	
Right to use assets financed with debt	1,084,286

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Clark Regional Emergency Services Agency (CRESA) conform to generally accepted accounting principles as applied to local governmental units. The more significant accounting policies are described below. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. The Reporting Entity

In 1975, Clark Regional Emergency Services Agency (CRESA) was created under the Interlocal Cooperation Act (RCW 39.4) by agreement between the County and other governmental units and political districts. CRESA provides regional 9-1-1 dispatch services, a regional 800 MHz and conventional radio system and services, and regional emergency management services in all incorporated and unincorporated areas of Clark County.

The CRESA Administrative Board is comprised of nine members appointed by the primary entities receiving services from the agency. In late 2017, CRESA began the process of changing its formation structure to a special purpose, quasi-municipal corporation known as a Public Development Authority or PDA. This type of entity is authorized under RCW 35.21.730. The evolution of CRESA to a PDA is under review by the CRESA Administrative Board, and this review will continue through 2025. There are no component units that should be included.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements consist of the statement of net position, the statement of revenues, expenses and changes in fund net position, and the statement of cash flows. These statements report information on the activity of this single purpose government.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency are emergency management per capita fees and charges to other governments for public safety communication services. Operating expenses for this enterprise fund include the cost of personnel and contractual services and supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Budgets and Budgetary Accounting

The Agency budgets on the full accrual basis. Each year the director presents to the Administrative Board a proposed budget for operation of the Agency for the next calendar year. The budget is prepared in accordance with the Agency's budget timetable. The annual budget is adopted by a nine-member Administrative Board composed of the Clark County Manager, Vancouver City Manager or designee, Mayor from a represented small city designee, the Clark County Sheriff, a Police representative, a Vancouver Fire Department representative, a representative of an EMS district, a representative from the Fire Chief's Association and filling the seat of the Chief Financial Officer of a large business, a representative from the financial business community. The budget is prepared for managerial control and can be amended only by Board approval.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

D. Assets, Liabilities and Net Position or Equity

1. Cash, Cash Equivalents and Pooled Investments

It is the Agency's policy to invest all temporary cash surpluses with Clark County. Clark County maintains cash and certain investments in a common pool. Investments are stated at fair value. For the purpose of the statement of cash flows, the Agency considers cash and cash equivalents to include cash and deposits, as well as pooled investments with original maturities of three months or less from the date of acquisition.

2. Receivables

Receivables consist of amounts owed from private entities, unpaid assessments from governmental entities for services provided or grants earned, or amounts associated with leases.

3. Prepaid expense

Prepaid expense includes payment for maintenance and similar services extending to future accounting periods.

4. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Intangible assets consist of software. Donated assets are valued at acquisition value on the date donated. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$10,000 (amount not rounded). Depreciation of all exhaustible fixed assets is charged as an expense against operations. Accumulated depreciation and amortization is reported on the statement of net position. Depreciation and amortization have been provided over the estimated useful lives using the straight-line method. The estimated useful lives are 3-10 years for office equipment, 5-25 years for communications equipment, 3-15 years for software, and 10-20 years for buildings and towers. The right to use assets are being amortized over the shorter period of the useful life of the underlying asset category per adopted policy or the agreement term.

5. Deferred Outflows of Resources and Deferred Inflows of Resources

A Deferred Outflows of Resources is a consumption of net position that is applicable to future periods. Deferred Inflows of Resources are acquisitions of net position in one period that are applicable to future periods. These are distinguished from assets and liabilities in the statement of net position. The Agency recognizes Deferred Outflows related to pensions and asset retirement obligations. The Agency recognizes Deferred inflows related to pensions and leases.

6. Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

7. Compensated Absences

The Agency accounts for compensated absences, such as vacation leave, sick leave, and similar benefits. Liabilities for compensated absences are recognized when earned by employees, can be used in a subsequent period, and expected to be paid.

Key policies include:

- Accrued liabilities are recognized in the financial statements for amounts attributable to employees' services rendered through the end of the reporting period.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

- Liabilities for compensated absences are measured based on pay rates in effect at the reporting date and include applicable salary-related payments.
- The liability is categorized as a current or noncurrent liability based on the timing of expected payments.
- Accrual of sick leave liabilities is based on policies allowing employees to receive payment for unused balances upon termination or retirement, subject to the probability of payment.
- The FIFO flow assumption was used.

Vacation pay may be accumulated up to a maximum of two-times an employee's annual accrual rate. Accrual rates are determined by employee classification and years of service. The maximum accrual of 512 hours or 32 days is payable upon resignation, retirement or death. Accumulated unpaid sick leave under 300 hours is not included in compensated absences.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For purposes of calculating the restricted net position related to the net pension asset, CRESA includes the net pension asset, deferred inflows and deferred outflows.

9. Asset Retirement Obligation

The asset retirement obligation (ARO) and deferred outflows of resources related is the liability associated with the retirement of CRESA owned capital assets that have a substantial decommissioning cost to CRESA. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

10. Leases

CRESA is both a lessee and a lessor for noncancelable leases and recognizes a lease liability, an intangible right-to-use lease asset, lease receivable and a deferred inflow of resources, as applicable, in the proprietary fund financial statements.

At the commencement of a lease, as lessee, CRESA initially measures:

- The lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight-line basis over its useful life.
- The lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the effective interest method.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Key estimates and judgements related to lease include how the CRESA determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- CRESA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or CRESA is the lessor, the incremental borrowing rate as the discount rate is generally used for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that CRESA is reasonably certain to exercise.
- Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

CRESA monitors changes in circumstances that would require a remeasurement of its lease. CRESA will remeasure the lease asset, liability, lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

CRESA has recorded these amounts as detailed in Note 7, Leases and in Note 3, Changes in Capital Assets.

11. SBITA Liability and Right to Use Asset

SBITA liabilities consist of amounts recorded in compliance with GASB 96, Subscription-Based Information Technology Arrangements (SBITAs). CRESA has recorded the SBITA liability and associated intangible, right to use, SBITA asset. At the commencement of a subscription-based information technology arrangement, CRESA initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the implementation date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized using the straight-line basis over the same useful lives as the SBITA term.

CRESA has recorded these amounts as detailed in Note 8, SBITAs and in Note 3, Changes in Capital Assets.

2. DEPOSITS AND INVESTMENTS

Investments in Clark County Investment Pool

CRESA is a participant in the Clark County Investment Pool (CCIP), 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, which consists of the Treasurer, the Auditor and the Chair of the Board of County Councilors. The committee approves the investment policy and makes all appropriate rules and regulations in accordance with RCW 36.48.070. CRESA reports its investment in the pool at fair value, which is the same as the value of the pool per share. The weighted average maturity of the CCIP is approximately one (1) year, with cash available to CRESA on demand. The on-demand availability of these funds defines them as cash equivalent liquid investments. Cash investments are not subject to interest rate risk reporting requirement as defined by GASB 31. The CCIP is overseen by the Clark County Finance Committee, is audited annually by the Washington State Auditor's Office and regulated by Washington RCW's. Clark County policy dictates that all investment instruments other than certificates of deposit and the Washington State Investment Pool be transacted on the delivery versus payment basis. CRESA's interest in the pool at December 31, 2024 was \$8,376,924 which represents 100% of CRESA's Cash, cash equivalents and pooled investments as reported in the Statement of Net

CLARK REGIONAL EMERGENCY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Position. Investments in the County's pool are not subject to categorization because specific instruments cannot be distinguished between those participating in the pool.

3. CHANGES IN CAPITAL ASSETS

A summary of the changes in capital assets follows:

	<u>1/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2024</u>
Non-depreciable capital assets:				
Work in Progress	\$ 27,909	\$ 887,185	\$ 654,447	\$ 260,647
Total non-depreciable capital assets	27,909	887,185	654,447	260,647
Depreciable capital assets:				
Buildings and improvements	8,080,083	535,522	-	8,615,605
Intangible assets	3,499,031	-	2,386,398	1,112,633
Equipment	12,928,604	148,489	227,979	12,849,114
Total depreciable capital assets	24,507,718	684,011	2,614,377	22,577,352
Less accumulated depreciation for				
Buildings and improvements	(3,295,556)	(397,919)	-	(3,693,475)
Intangible assets	(2,430,034)	(163,969)	(2,006,905)	(587,098)
Equipment	(8,141,599)	(1,081,085)	(227,978)	(8,994,706)
Total accumulated depreciation	(13,867,189)	(1,642,973)	(2,234,883)	(13,275,279)
Total depreciable capital assets, net	10,640,529	(958,962)	379,494	9,302,073
Right to use asset, being amortized:				
Radio Tower Sites - Leases	2,777,986	-	-	2,777,986
Office Equipment - Leases	6,674	9,262	-	15,936
SBITAs	1,460,101	1,075,024	-	2,535,125
Total right to use assets, being amortized	4,244,761	1,084,286	-	5,329,047
Less accumulated amortization for				
Radio Tower Sites - Leases	(535,570)	(203,216)	-	(738,786)
Office Equipment - Leases	(5,006)	(3,676)	-	(8,682)
SBITAs	(76,918)	(139,838)	-	(216,756)
Total accumulated amortization	(617,494)	(346,730)	-	(964,224)
Total capital assets, amortized, net	3,627,267	737,556	-	4,364,823
Capital assets, being depreciated/amortized, net	14,267,796	(221,406)	379,494	13,666,896
Net capital assets	\$ 14,295,705	\$ 665,779	\$ 1,033,941	\$ 13,927,543

4. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The Agency previously constructed new infrastructure, field equipment and contracted for ongoing support related to the radio system. The total cost over the ten-year contract is projected to be \$12,753,382; \$9,876,217 for new infrastructure and training costs, \$3,654,760 in ongoing support, and \$200,180 in project management fees. Infrastructure will be funded through accrued reserves and future user fees. Ongoing support will be funded with current ongoing fees which the Agency has in place. The new system was operational in 2017. At December 31, 2024, the Agency's commitments were as follows:

Project	Remaining Commitment
Infrastructure Support Agreement	\$ 1,860,224

The Agency does not need to raise additional funds to cover the commitment.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. LONG-TERM LIABILITIES

During the year ended December 31, 2024, the following changes occurred in long-term liabilities:

	1/1/2024	Additions	Reductions	12/31/2024	Due within one year
Compensated Absences*	\$ 997,361	\$ -	\$ 13,760	\$ 983,601	\$ 796,334
Environmental Liabilities - ARO	1,384,496	40,150	-	1,424,646	-
Net Pension Liability	978,151	-	274,150	704,001	-
Lease Liability	2,304,377	9,262	157,826	2,155,813	109,773
SBITA Liability	1,313,753	1,075,024	140,005	2,248,772	136,815
Total long-term liabilities	\$ 6,978,138	\$ 1,124,436	\$ 585,741	\$ 7,516,833	\$ 1,042,922

*The Beginning Balance was restated by \$129,265 for the change in accounting principle under GASB 101. See Note 13.

The compensated absence addition/reduction is a net change in the compensated absence balance.

6. PENSION PLAN

The following table represents the aggregate pension amounts for all plans for the year 2024:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 704,001
Pension assets	1,679,373
Deferred outflows of resources	2,527,258
Deferred inflows of resources	771,049
Pension expense/expenditures	81,276

State Sponsored Pension Plans

Substantially all CRESA full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, 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 (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

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

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service.

Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The PERS 1 and PERS 2/3 employer contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits

The PERS Plan defined benefit required contribution rates (expressed as a percentage of covered payroll) for fiscal year 2024 were as follows:

Employer Contribution Rates				
<i>Time Frame</i>	<i>Contribution Rate</i>	<i>PERS 1 UAAL</i>	<i>Administrative Fee</i>	<i>Employer</i>
January – June	6.36%	2.97%	0.20%	9.53%
July – August	6.36%	2.47%	0.20%	9.03%
September - December	6.36%	2.55%	0.20%	9.11%

Employee Contribution Rates	
PERS 1	6.00%
PERS 2	6.36%
PERS 3	Varies: 5% to 15%

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

The Agency's actual PERS plan contributions were \$236,801 to PERS Plan 1 and \$348,509 to PERS Plan 2/3 for the year ended December 31, 2024.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006.

PSERS membership includes certain public employees whose jobs contain a high degree of physical risk to their own personal safety. In addition to meeting strict statutory work requirements, membership is further restricted to specific employers including:

- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.
- A limited number of state agencies.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the AFC times the member's years of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Retirement before age 60 is considered an early retirement. PSERS members who retire before turning 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other benefits include a COLA, capped at 3% annually. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The Plan 2 employer rates include components to address the PERS Plan 1 UAAL.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for the fiscal year were as follows:

Employer Contribution Rates				
<i>Time Frame</i>	<i>Contribution Rate</i>	<i>PERS 1 UAAL</i>	<i>Administrative Fee</i>	<i>Employer</i>
January – June	6.73%	2.97%	0.20%	9.90%
July – August	6.73%	2.47%	0.20%	9.40%
September - December	6.76%	2.55%	0.20%	9.51%

The employee contribution rate was 6.73%.

The Agency's actual plan contributions were \$209,634 to PSERS Plan 2 and \$80,070 to PERS Plan 1 for the year ended December 31, 2024.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS1.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0 percent was determined using a building-block-method. In selecting this assumption, the OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the table below. The inflation component used to create the table is 2.50 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Sensitivity of the Net Pension Liability/ (Asset)

The table below presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
PERS 1	1,035,568	704,001	413,209
PERS 2/3	3,027,391	(1,679,373)	(5,544,940)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Agency reported its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability or (Asset)
PERS 1	\$ 704,001
PERS 2/3	(1,679,373)

At June 30, 2024, the Agency's proportionate share of the collective net pension liabilities (assets) was as follows:

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.04285%	0.03962%	-0.00323%
PERS 2/3	0.05534%	0.05094%	-0.00439%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2024 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans.

Pension Expense

For the year ended December 31, 2024, the Agency recognized pension expense as follows:

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

	Pension Expense
PERS 1	\$ (81,141)
PERS 2/3	150,797
PSERS 2	11,621
TOTAL	81,276

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 56,332
Contributions subsequent to the measurement date	114,265	-
TOTAL	\$ 114,265	\$ 56,332

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 954,256	\$ 3,888
Net difference between projected and actual investment earnings on pension plan investments	-	481,260
Changes of assumptions	927,353	106,405
Changes in proportion and differences between contributions and proportionate share of contributions	236,259	123,164
Contributions subsequent to the measurement date	97,112	-
TOTAL	\$ 2,214,980	\$ 714,717

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 198,013	-
TOTAL	\$ 198,013	\$ -

TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 954,256	\$ 3,888
Net difference between projected and actual investment earnings on pension plan investments	-	537,592
Changes of assumptions	927,353	106,405
Changes in proportion and differences between contributions and proportionate share of contributions	236,259	123,164
Contributions subsequent to the measurement date	409,390	-
TOTAL	\$ 2,527,258	\$ 771,049

Deferred outflows of resources related to pensions resulting from the Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3	PSERS 2
2025	\$ (93,226)	\$ (328,680)	\$ -
2026	47,895	746,758	-
2027	(5,071)	331,487	-
2028	(5,930)	330,532	-
2029	-	165,085	-
Thereafter	-	157,969	-

CLARK REGIONAL EMERGENCY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

7. LEASES

CRESA as Lessor

At December 31, 2024, CRESA had one lease receivable in which it is acting as Lessor.

Lease Type	Start Date	Initial Term	Extensions up to:	Lease Receivable at 12/31/2024
Tower Site	10/1/2020	5 Year	5 years	97,473

For the leases, CRESA evaluated on a case-by-case basis which extensions would be exercised and calculate the receivable and deferred inflows accordingly. During 2024, the inflows of resources recognized from this lease is \$12,240.

CRESA's schedule of future payments included in the measurement of the lease receivable is as follows:

Lease Receivables				
	Principal	Interest	Total Requirements	
2025	\$ 11,732	\$ 2,681	\$ 14,413	
2026	12,415	2,358	14,773	
2027	13,126	2,016	15,142	
2028	13,865	1,656	15,521	
2029	14,634	1,274	15,908	
2030-2031	31,701	1,319	33,020	
	\$ 97,473	\$ 11,304	\$ 108,777	

CRESA as Lessee

At December 31, 2024, CRESA used its lease policy to evaluate financial agreements that are potential leases in which CRESA serves as the lessee. At December 31, 2024, CRESA has nine leases payable in which it is acting as Lessee for a copier and land or tower space for radio equipment. CRESA's future payments included in the measurement of the lease payable is as follows:

Lease Payables				
	Principal	Interest	Total Requirements	
2025	\$ 109,773	\$ 65,203	\$ 174,976	
2026	178,764	60,445	239,209	
2027	184,022	55,249	239,271	
2028	167,538	49,867	217,405	
2029	175,431	45,027	220,458	
2030-2034	714,000	154,483	868,483	
2035-2039	448,064	57,743	505,807	
2040-2042	178,221	10,707	188,928	
	\$ 2,155,813	\$ 498,724	\$ 2,654,537	

At December 31, 2024, the lease right to use assets and accumulated amortization are \$2,793,922 and \$747,468, respectively, presenting \$2,046,454 net. See Note 3 for additional information.

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

At December 31, 2024, CRESA used its SBITA policy to evaluate financial agreements that are potential SBITAs. At December 31, 2024, CRESA has nine SBITA liabilities for a variety of different

CLARK REGIONAL EMERGENCY SERVICES AGENCY**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024

administrative and operational software. The agreements are for noncancellable terms of one year, with extensions ranging between 5 and 20 years. Payments increase annually, not to exceed CPI. CRESA has assumed it will exercise options to extend 6 leases by 20 years and one lease by 5 years. CRESA's schedule of future payments included in the measurement of the SBITA payable is as follows:

SBITA Liability

	Principal	Interest	Total Requirements
2025	\$ 136,815	\$ 52,719	\$ 189,534
2026	241,046	50,751	291,797
2027	249,866	48,702	298,568
2028	259,011	46,568	305,579
2029	265,439	44,347	309,786
2030-2034	377,823	186,984	564,807
2035-2039	366,792	119,647	486,439
2040-2043	351,980	37,169	389,149
	\$ 2,248,772	\$ 586,887	\$ 2,835,659

At December 31, 2024, the SBITA right to use assets and accumulated amortization are \$2,535,125 and \$216,756, respectively, presenting \$2,318,369 net. See Note 3 for additional information.

9. ASSET RETIREMENT OBLIGATIONS

CRESA owns, operates, and maintains cell towers on leased land with varying initial and renewal lease terms. Currently, CRESA does not foresee terminating these lease agreements or decommissioning these towers into the foreseeable future. However, if a lease were to terminate and CRESA were to decommission these towers there are specific decommissioning requirements within the land leases.

CRESA obtained an engineer estimate to support these potential decommissioning costs and presents a liability at December 31, 2024, of \$1,424,646 and a Deferred Outflow of \$60,815. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

10. RISK MANAGEMENT

The Agency is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. As of December 31, 2024, WCIA had a total of 168 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

There have been no losses exceeding coverage in the last three years.

11. RELATED PARTY TRANSACTIONS

Clark County

The Agency is involved in a related party transaction with Clark County. Clark County collects telephone access fees (911 taxes) that can only be used to offset qualifying 911 expenses, leaving the funding for the future radio replacement the responsibility of the Agency's stakeholders. At December 31, 2024, all 911 tax received by the Agency was used for qualifying expenses with a total of \$5,214,155 transferred.

In addition, during 2024, the Agency paid Clark County \$440,046 for facilities and maintenance charges, \$138,935 for financial administration, \$255,933 for IT services and \$33,197 for other miscellaneous professional services.

12. JOINTLY ADMINISTERED ORGANIZATION

The Agency is involved in Region IV, a jointly administered organization established by the State of Washington Emergency Management Division. Region IV is used to distribute public safety grants to Clark, Cowlitz, Skamania and Wahkiakum Counties. Region IV receives grants based upon an allocation performed by the State of Washington. The Agency receives the grants on behalf of Region IV and distributes the proceeds to the governments within the Region IV Council. The nature and expenditure

CLARK REGIONAL EMERGENCY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Emergency Management Coordinator position or part-time position at each County, excluding Clark.

13. CHANGE IN ACCOUNTING PRINCIPLES

At January 1 2024, the following change in account principles as required by the Governmental Accounting Standards Board were implemented. The effect of these changes on the Agency's net position is as follows:

	Net Position
12/31/2023, as previously reported	\$ 17,933,964
Change in accounting principle relatated to GASB 101	(129,265)
12/31/2023, as restated	<u>\$ 17,804,699</u>

Adoption of GASB Statement No. 100 – *Accounting Changes and Error Corrections*

Effective for the fiscal year ending December 31, 2024, the Agency adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement prescribes financial reporting for accounting changes and corrections of errors with required descriptive note disclosures. The aggregate amount of adjustments to and restatements of beginning net position, will be displayed by reporting unit in the financial statements, and note disclosures will describe the nature of these adjustments. For periods earlier than those included in the basic financial statements, this statement also requires supplementary or required supplementary information to be restated for error corrections.

Accounting changes include changes in accounting principles, accounting estimates or in the financial reporting entity.

GASB 101, *Compensated Absences*

Effective for the fiscal year ending December 31, 2024 the Agency adopted GASB Statement No. 101, *Compensated Absences*. This Statement establishes standards of accounting and financial reporting for compensated absences and clarifies the recognition and measurement of these liabilities. As a result of implementing GASB 101, the Agency recognized an adjustment to the financial statements as of the adoption date for \$129,265.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Proportionate Share of the Net Pension Liability (Asset)

PERS I

As of June 30
Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.039621%	\$ 704,001	\$ 8,215,003	8.57%	84.05%
2023	0.042850%	978,151	7,366,205	13.28%	80.16%
2022	0.038936%	1,084,121	6,630,599	16.35%	76.56%
2021	0.042046%	513,480	6,461,325	7.95%	88.74%
2020	0.042771%	1,510,047	6,478,811	23.31%	68.64%
2019	0.042709%	1,642,313	5,994,045	27.40%	67.12%
2018	0.045875%	2,048,793	5,924,414	34.58%	63.22%
2017	0.021958%	1,041,924	2,706,459	38.50%	61.24%

Note: CRESA became a part of the Pension Plan and implemented GASB 68 on January 1, 2017, therefore no data is presented before then. Eventually, ten years of data will be presented.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Proportionate Share of the Net Pension Liability (Asset)

PERS 2/3

As of June 30

Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.050943%	\$ (1,679,373)	\$ 8,042,332	-20.88%	105.17%
2023	0.055335%	(2,268,006)	7,366,205	-30.79%	107.02%
2022	0.050777%	(1,883,208)	6,630,599	-28.40%	106.73%
2021	0.054023%	(5,381,560)	6,461,325	-83.29%	120.29%
2020	0.055507%	709,903	6,478,811	10.96%	97.22%
2019	0.055145%	535,645	5,994,045	8.94%	97.77%
2018	0.055892%	954,306	5,799,085	16.46%	95.77%
2017	0.027116%	942,151	2,658,479	35.44%	90.97%

Note: CRESA became a part of the Pension Plan and implemented GASB 68 on January 1, 2017, therefore no data is presented before then. Eventually, ten years of data will be presented.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Proportionate Share of the Net Pension Liability (Asset)

PSERS
As of June 30
Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.000000%	\$ -	\$ 172,670	0.00%	105.17%

Note: CRESA began contributing to PSERS in July 1, 2024, therefore no data presented before then. Eventually, 10 years of data will be presented.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Schedule of Employer Contributions

PERS 1

For the Year Ended December 31

Last Eight Calendar Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 236,801	\$ (236,801)	\$ -	\$ 8,586,398	3.07%
2023	268,901	(268,901)	-	7,840,953	3.43%
2022	262,047	(262,047)	-	6,983,356	3.75%
2021	282,548	(282,548)	-	6,514,664	4.34%
2020	319,619	(319,619)	-	6,657,359	4.80%
2019	299,159	(299,159)	-	6,032,189	4.96%
2018	305,116	(305,116)	-	5,929,942	5.15%
2017	285,852	(285,852)	-	5,693,027	5.02%

Note: CRESA became a part of the Pension Plan and implemented GASB 68 on January 1, 2017, therefore no data is presented before then. Eventually, ten years of data will be presented.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Schedule of Employer Contributions

PERS 2/3

For the Year Ended December 31

Last Eight Calendar Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 348,509	\$ (348,509)	\$ -	\$ 5,479,596	6.36%
2023	498,701	(498,701)	-	7,840,953	6.36%
2022	444,170	(444,170)	-	6,983,356	6.36%
2021	469,284	(469,284)	-	6,514,664	7.20%
2020	526,483	(526,483)	-	6,657,359	7.91%
2019	464,756	(464,756)	-	6,032,189	7.70%
2018	439,525	(439,525)	-	5,861,276	7.50%
2017	382,005	(382,005)	-	5,588,385	6.84%

Note: CRESA became a part of the Pension Plan and implemented GASB 68 on January 1, 2017, therefore no data is presented before then. Eventually, ten years of data will be presented.

CLARK REGIONAL EMERGENCY SERVICES AGENCY
REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans
Schedule of Employer Contributions

PSERS

For the Year Ended Dec 31
Last Eight Calendar Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 209,634	\$ (209,634)	\$ -	\$ 3,106,802	6.75%

Note: CRESA began contributing to PSERS in July 1, 2024, therefore no data presented before then. Eventually, 10 years of data will be presented.

CLARK REGIONAL EMERGENCY SERVICES AGENCY

Notes to Required Supplemental Information - Pension

As of December 31
Last Eight Calendar Years

Note 1: Information Provided

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 3: Covered payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues*. Covered payroll includes all payroll on which a contribution is based.

Note 4: Contribution rates

Rates in effect during the periods covered by the Required Supplemental Information are below:

PERS 1, PERS 2/3

<u>From this</u>	<u>Through</u>	
<u>Date</u>	<u>this Date</u>	<u>Rate</u>
1/1/2017	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	8/31/2022	10.25%
9/1/2022	8/31/2023	10.39%
9/1/2023	6/30/2024	9.53%
7/1/2024	8/31/2024	9.03%
9/1/2024	Current	9.11% *

* Employer contribution rate includes an administrative expense rate of 0.20%

PSERS 2/3

<u>From this</u>	<u>Through</u>	<u>Employer</u>
<u>Date</u>	<u>this Date</u>	<u>Rate</u>
7/1/2024	8/31/2024	9.40%
9/1/2024	Current	9.51% *

* Employer contribution rate includes an administrative expense rate of 0.20%

Note: CRESA began contributing to PSERS in July 1, 2024, therefore no data presented before then. Eventually, 10 years of data will be presented.

**Clark Regional Emergency Services Agency
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients
Highway Safety Cluster							
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2024-HVE-5117 Region 6 WTSC	7,164	-	7,164	- 3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2025-HVE-5437 Region 6 WTSC	809	-	809	- 3
Total Highway Safety Cluster:				7,973	-	7,973	-
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Dept Emergency Management Division)	Emergency Management Performance Grants	97.042	23EMPG E24- 282	219,888	-	219,888	- 2, 3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Dept Emergency Management Division)	Emergency Management Performance Grants	97.042	24EMPG E25- 098	59,878	-	59,878	- 2, 3
Total ALN 97.042:				279,766	-	279,766	-

The accompanying notes are an integral part of this schedule.

**Clark Regional Emergency Services Agency
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Dept Emergency Management Division)	Homeland Security Grant Program	97.067	20SHSP E21- 092	130,085	-	130,085	130,085	3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Dept Emergency Management Division)	Homeland Security Grant Program	97.067	21SHSP E22- 125	239,012	-	239,012	239,012	3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Dept Emergency Management Division)	Homeland Security Grant Program	97.067	22SHSP E23- 102	108,852	-	108,852	108,852	3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Dept Emergency Management Division)	Homeland Security Grant Program	97.067	UASI 2022 Contract 32003028	26,123	-	26,123	-	3
Total ALN 97.067:				504,072	-	504,072	477,949	
Total Federal Awards Expended:				791,811	-	791,811	477,949	

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2024

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the agency's financial statements. The agency uses the full accrual basis of accounting.

NOTE 2 - INDIRECT RATE

The Agency has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the agency's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulation 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.

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