

ANNUAL REPORT CERTIFICATION

Klickitat County Fire Protection District No 3

(Official Name of Government)

1187

MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended 12/31/2021

GOVERNMENT INFORMATION:

Official Mailing Address PO Box 151
Husum, WA 98623-0151

Official Website Address www.kcfd3.com

Official E-mail Address secretary@kcfd3.com

Official Phone Number (509) 493 2996

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Rozalind Plumb District Secretary

Contact Phone Number (509) 493 2996

Contact E-mail Address secretary@kcfd3.com

I certify 23rd day of May, 2022, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Rozalind Plumb (secretary@kcfd3.com)

**Husum Fire Department - Klickitat County Fire Protection District 3
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021**

		001 General
Beginning Cash and Investments		
308	Beginning Cash and Investments	3,463,356
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	828,878
320	Licenses and Permits	-
330	Intergovernmental Revenues	186,112
340	Charges for Goods and Services	36,522
350	Fines and Penalties	-
360	Miscellaneous Revenues	7,821
Total Revenues:		1,059,333
Expenditures		
510	General Government	-
520	Public Safety	392,892
Total Expenditures:		392,892
Excess (Deficiency) Revenues over Expenditures:		666,441
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	153,990
Total Other Increases in Fund Resources:		153,990
Other Decreases in Fund Resources		
594-595	Capital Expenditures	1,434,814
591-593, 599	Debt Service	235,362
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		1,670,176
Increase (Decrease) in Cash and Investments:		(849,745)
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	311,930
50841	Committed	-
50851	Assigned	1,190,690
50891	Unassigned	1,110,966
Total Ending Cash and Investments		2,613,586

The accompanying notes are an integral part of this statement.

Husum Fire Department - Klickitat County Fire Protection District 3

Schedule 01

For the year ended December 31, 2021

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1187	001	General	3083100	Restricted Cash and Investments - Beginning	\$159,928
1187	001	General	3084100	Committed Cash and Investments - Beginning	\$0
1187	001	General	3085100	Assigned Cash and Investments - Beginning	\$2,625,760
1187	001	General	3089100	Unassigned Cash and Investments - Beginning	\$677,668
1187	001	General	3111000	Property Tax	\$813,359
1187	001	General	3113000	Sale of Tax Title Property	\$15,519
1187	001	General	3321523	Payment In-Lieu of Tax	\$252
1187	001	General	3340030	State Grant from Secretary of State	\$1,169
1187	001	General	3340310	State Grant from Department of Ecology	\$174,186
1187	001	General	3340490	State Grant from Department of Health	\$1,266
1187	001	General	3370000	Local Grants, Entitlements and Other Payments	\$9,239
1187	001	General	3422100	Fire Protection and Emergency Medical Services	\$36,522
1187	001	General	3611000	Investment Earnings	\$3,007
1187	001	General	3620000	Rents and Leases	\$3,814
1187	001	General	3670000	Contributions and Donations from Nongovernmental Sources	\$1,000
1187	001	General	5221010	Administration	\$71,495
1187	001	General	5221020	Administration	\$13,216
1187	001	General	5221030	Administration	\$903
1187	001	General	5221040	Administration	\$62,174
1187	001	General	5222010	Fire Suppression and Emergency Medical Services	\$101,920
1187	001	General	5222020	Fire Suppression and Emergency Medical Services	\$26,850
1187	001	General	5222030	Fire Suppression and Emergency Medical Services	\$24,789
1187	001	General	5222040	Fire Suppression and Emergency Medical Services	\$39,952
1187	001	General	5223030	Fire Prevention and Investigation	\$50
1187	001	General	5224530	Training Obtained by Employees	\$1,711
1187	001	General	5224540	Training Obtained by Employees	\$3,176
1187	001	General	5225030	Facilities	\$1,321

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1187	001	General	5225040	Facilities	\$17,961
1187	001	General	5226030	Vehicles and Equipment Maintenance	\$22,430
1187	001	General	5226040	Vehicles and Equipment Maintenance	\$4,944
1187	001	General	5083100	Restricted Cash and Investments - Ending	\$311,930
1187	001	General	5084100	Committed Cash and Investments - Ending	\$0
1187	001	General	5085100	Assigned Cash and Investments - Ending	\$1,190,690
1187	001	General	5089100	Unassigned Cash and Investments - Ending	\$1,110,966
1187	001	General	3951000	Proceeds from Sales of Capital Assets (Cash Basis Only)	\$153,990
1187	001	General	5912270	Debt Repayment - Fire Suppression and EMS Services	\$118,416
1187	001	General	5912570	Debt Repayment - Disaster Services	\$0
1187	001	General	5912870	Debt Repayment - Dispatch Services	\$0
1187	001	General	5922280	Interest and Other Debt Service Cost - Fire Suppression and EMS Services	\$116,946
1187	001	General	5942260	Capital Expenditures/Expenses - Fire Suppression and EMS Services	\$1,434,814
1187	001	General	5942560	Capital Expenditures/Expenses - Disaster Services	\$0
1187	001	General	5942860	Capital Expenditures/Expenses - Dispatch Services	\$0

Husum Fire Department - Klickitat County Fire Protection District 3
Schedule of Liabilities
For the Year Ended December 31, 2021

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.12	Capital Bond	12/1/2038	3,006,333	-	118,416	2,887,917
	Total General Obligation Debt/Liabilities:		3,006,333	-	118,416	2,887,917
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	pension liabilities		17,945	-	7,169	10,776
	Total Revenue and Other (non G.O.) Debt/Liabilities:		17,945	-	7,169	10,776
	Total Liabilities:		3,024,278	-	125,585	2,898,693

Klickitat County Fire Protection District 3
SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)
For Fiscal Year ended December 31, 2021

Grantor	Program Title	Identificaton Number	Amount
State Grant from Department of Health			
	2021 Trauma Grant	47385	1,260
			Sub-total: 1,260
State Grant from Department of Ecology			
	SPPREG-2020-KCFD-00032	3648-002	174,186
			Sub-total: 174,186
			Grand total: 175,446

Labor Relations Consultant(s)
For the Year Ended December 31, 20__

Has your government engaged labor relations consultants? ___ Yes X No

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

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including: Rates (e.g., hourly, etc.): Maximum compensation allowed: Duration of services: Services provided:

**LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 20__**

1. no Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

If NO, STOP, you do not need to complete the rest of this Schedule.

If YES, continue below.

- a. Which class of risk does the entity self-insure? Check all that apply.
- i. Liability
 - ii. Property
 - iii. Health and Welfare (medical, vision, dental, prescription)
 - iv. Unemployment Compensation
 - v. Workers' Compensation
 - vi. Other - please describe: _____
- b. Does the entity self-insure as an individual program? (yes/no)
- i. If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.

If so, list the entity or entities: _____
- c. Does the entity self-insure as a joint program? (yes/no)

 If answered YES, list the other member(s): _____

2. ____ Does the entity administer its own claims? (yes/no)
3. ____ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. ____ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. ____ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. ____ Did the program use an actuary to determine its liabilities? (yes/no)

EXAMPLE

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period

Klickitat County Fire Protection District 3
Schedule 22 - Audit Assessment Questionnaire (unaudited)
For Fiscal Year ended December 31, 2021

Reference	#	Question	Answer	Explanation
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INSTRUCTIONS FOR PREPARER

The term "governing body" is used in this Schedule 22 to describe the elected or appointed governing board of your government. If the government preparing this questionnaire did not have any financial activity during the reporting year, please return to the first step of the annual report and select "no" when asked if you'll be reporting financial activity. For additional assistance with the Schedule 22, please click the "help" button.

For **guidance** to these questions, please refer to the document at, <https://sao.wa.gov/bars-annual-filing/bars-reporting-templates/>

Please click, "**Next**," to begin the Schedule 22. You may use the numbers above circled in blue to quickly navigate to a specific section of the Schedule 22. As with the rest of the Annual Report submission, it does not need to be completed all at once; you may leave and return to the Schedule 22 as needed.

FINANCIAL ACTIVITY MONITORING AND OVERSIGHT

1	Please indicate which of the following best describes the accounting system of the government: A) Rely on the County Treasurer (no other accounting software used) B) Other accounting software (i.e. QuickBooks, BIAS, Vision, Excel, etc.).	(B)
2	Does the government use their own bank accounts in lieu of or in addition to the County Treasurer? If yes, please attach year-end bank statement.	No
3	Please disclose the accounting software the government use.	Excel

Reference	#	Question	Answer	Explanation
	4	Please describe the government's reconciliation of their bank accounts (County Treasurer and transmittal) to the accounting records. Include the personnel responsible for performing the reconciliation and the personnel responsible for reviewing the reconciliation. Note: the job position/title is sufficient for the identification purpose.	4.The district records financial activity on Excel worksheets. At the end of each month the County Auditor sends an expenditure listing, and the County Treasurer sends a report for all accounts. The Administrative Assistant reviews the beginning, ending, and details. The District Secretary reviews the Treasurer's summary report and it is included in the Commissioners regular business meeting packet.	

Reference	#	Question	Answer	Explanation
	5	Entries Process - please describe the process to record journal entries into the government's general ledger and, if applicable, the process for reviewing and monitoring the journal entries being posted, both during the year and at year-end. Note: include the job position/title of the person responsible for posting and reviewing the entries.	5.The Administrative Assistant records financial activity on Excel worksheets, and submits scripts to the County Auditor. At the end of each month the County Auditor sends an expenditure listing, and the County Treasurer sends a report for all accounts. The Administrative Assistant reviews, and compares the beginning, ending, and details. The District Secretary reviews the Treasurer's summary report, and it is included in the Commissioners regular business meeting packet.	
	6	Please indicate which of the following best describes the government's own internal accounting system: A) It uses the BARS chart of accounts; B) It uses a chart of accounts that is compatible with BARS; C) It uses a chart of accounts that requires manual adjustments to file the Schedule 01;	(A)	

Reference	#	Question	Answer	Explanation
	7	Does the Governing Body receive and review monthly financial reports? If yes, please describe what is reviewed and how often. Examples include: cancelled checks, financial reports from the county, expenditure listings, bank accounts or petty cash activity.	Yes	The County Auditor sends a list of all expenditure for the month. The district reconciles the district expenditure with the Auditor's report. The Administrative Assistant, and/or District Secretary review the reports with a designated Commissioner. The County Treasurer sends a report summarizing the receipts, disbursements, and investments for each account every month. The Staff and a designated Commissioner review in detail the balances and reconcile against the district records for expenditure and general deposits.
	8	Preparation of Financial Reports - please describe the process or procedure for the preparation of financial statements (including the Schedule 01). Please identify any significant changes that occurred since the prior year (ex: staff turnover).	8.The Administrative Assistant prepares the financial statements and then they are reviewed by the District Secretary.	
	9	Has the government contracted out for, or recently assumed responsibility for, any major governmental function? If yes, please explain. For example: contracts for accounting services, janitorial/grounds keeping or other maintenance contracts; the government performs fire protection services for another government assumes a new water system from another government or annexations.	Yes	Payroll services have been contracted to a private company for several years. This is not new.

PERMANENT FILES

Reference	#	Question	Answer	Explanation
	10	Please check all boxes that occurred during the fiscal year:	Significant events (i.e. new debt, major construction)	
	12	Please explain the significant events that occurred during the year (e.g. new debt, major construction, change in key positions, etc.)	Remodel of station 31 and station 32	
	15	Did the government make any significant updates to key administrative, personnel, or financial policies? If yes, please attach the newest policy.	No	
	16	Did the government enter into, or modify any existing, interlocal agreements? If yes, please attach.	No	
	17	Does the government have a system or process to record information about its capital assets, including buildings, equipment, etc.? If yes, please describe the process for tracking.	Yes	Equipment is inventoried and assigned an ID in our inventory. Assets are cataloged in an excel spreadsheet and in Emergency reporting.

MATERIAL COMPLIANCE REQUIREMENT

	18	Did the government receive any non-SAO audits during the year? If yes, please attach related report. For example: work of internal auditors, state/federal grant review, etc.	No	
	19	Is the government currently involved in any lawsuits? We may be requesting an update on the status of legal matters during the audit.	No	
	20	Are there any licensing, regulatory, contracting, or granting agencies with the ability to impose material penalties that would play a role in the government's ability to continue? If so, please list the agency that could impose them. Examples include: Department of Health, FEMA, etc..	Yes	The District holds an Ambulance / EMS License through the Department of Health. The District is also held to Labor & Industry standards.

REVENUES AND EXPENDITURES

Reference	#	Question	Answer	Explanation
	21	Please describe any new sources of revenues or expenditure streams, or state there were none. Examples include: new activities, special levies, state or federal grants, leases, etc.	Revenue from the County "proceeds from sale of fixed assets", State DOH grant. Expenditure for station remodels	
	22	Were there any rate increases during the audit period?	Not Applicable	
	23	Attach rate and fee schedules in effect during the fiscal year.	Attached	Attachments WA State Wage & Equipment Rates 2021 (1).pdf
	24	Does the government receipt cash locally (using its own staff to collect cash and/or checks, issuing receipts) or use a third party vendor to bill or receipt payments? Please check all that apply.	Receipts Locally	
	25	Cash Receipting - Please list the locations where revenues are receipted.	Main office 200 Husum Street	
	26	Does the government deposit funds on a daily basis?	Yes	
	28	Please check all that apply to the government and list the authorized balance for each fund or account:	Petty cash	Petty cash authorized balance = \$300.00
	29	Please describe the governments process to reconcile its petty cash. Please include frequency of reconciliation. (e.g. monthly, quarterly, yearly)	Each month a Commissioner and the Administrative Assistant sit down and count the petty cash to ensure its whole, and review the log, receipts, and deposits	
	30	Please attach the year-end reconciliation and petty cash log.	Attached	Attachments 2021 Petty Cash.pdf

Reference	#	Question	Answer	Explanation
	37	What type(s) of electronic payment (EFT/ACH) does the government make? Please list them in the box below. Examples include: payroll, direct deposit, employee reimbursements, wire transfers, AP vendor payments, etc.	EFT /ACH ACH Payroll direct deposit, EFT Payroll taxes (SS, Med, FIT), Department of Retirement System	
	38	Does the government incur payroll costs?	Yes	
	39	Please describe the governing body's process to review payroll expenses and include how many employees the government has.	At the beginning of each year the District elects one Commissioner to review all payroll. Each month that Commissioner sits down and reviews timesheets and the payroll journal. In 2021 the district had seven employees (1 full time, 3 part- time, 3 Commissioners)	
	40	Please mark all that apply to the government: Note: "open store accounts" refers to arrangements where individuals may make purchases on the government's behalf that are subsequently billed (e.g., local hardware store).	Open Store Accounts , Fuel Card (s)	
	40	Please mark all that apply to the government: Note: "open store accounts" refers to arrangements where individuals may make purchases on the government's behalf that are subsequently billed (e.g., local hardware store).	Credit Card(s) , Open Store Accounts	

Reference	#	Question	Answer	Explanation
	40	Please mark all that apply to the government: Note: "open store accounts" refers to arrangements where individuals may make purchases on the government's behalf that are subsequently billed (e.g., local hardware store).	Fuel Card(s) , Open Store Accounts	
	41	Please attach a list of physical fuel cards the government has.	Attached	Attachments Fuel Cards.pdf
	42	Please attach a list of physical credit cards including issuing institution, credit card limit, distribution/cardholder, etc. Note: DO NOT include credit card number.	Attached	Attachments Columbia Bank Visa Business Cards.pdf
	43	Please attach a list of open accounts the government has.	Attached	Attachments Open Accounts.pdf
	44	Does the government receive any funds from state or federal grantors? If yes, please attach the grant agreements for the reporting year.	Yes	Attachments 2021 Trauma Grant.pdf KCFD3 DOE Grant - PDF update.pdf G-6599 Klickitat County Fire District 3 Executed GRANT AGREEMENT.pdf

FIRE/EMS SPECIFIC QUESTIONS

<i>Informational</i>	48	Indicate services offered by the government:	Facility Rentals , BLS Transports	
<i>Informational</i>	48	Indicate services offered by the government:	BLS Transports , Facility Rentals	
<i>Informational</i>	49	Does the government prepare or contract for transport billing? If transport services are billed, attach a copy of the written transport billing policy and transport fee schedule on the last step of the Schedule 22 (Attachments Section).	Not Applicable	

Reference	#	Question	Answer	Explanation
	50	Has there been any changes to agreements for which the government 1) performs fire protection services/EMS for another local government (e.g. city, fire district), or 2) another local government provides fire protection services/EMS? Note: This does not include mutual aid agreements. If there were changes to any agreements, please explain.	No Changes	
	51	Does the government have any volunteers? If yes, please include the number of volunteers and any benefits they may receive.	Yes	25
	52	Does the government have career firefighters? If yes, please include the number of career firefighters (approximately).	Yes	1
	53	Does the government provide other post-employment benefits (OPEB) for current retirees and active employees? Examples include: medical, dental, vision, hearing, etc.	Yes	
	54	Please indicate which employee group the benefits are for	LEOFF 2	
	55	Does the government have any closely related associations or foundations? If so, please list.	Yes	The District volunteers participate in the Klickitat County Fire District 3 Volunteer Firefighters Association. It is a separate 501(c) (3) organization.
<i>Informational</i>	56	How many stations does the government have?	3	
	57	Was the government involved in any mergers, acquisitions, or transfer of operations? If yes, please provide a brief explanation.	No	
	58	Does the government act as the fiscal agent for any other entities? If yes, please list parties served. Examples may include: holding accounts, receiving/disbursing funds, etc.	No	

REQUIRED ATTACHMENTS (see instructions for required details)

Reference	#	Question	Answer	Explanation
<i>Informational</i>	99	Meeting Minutes - Attach the meeting minutes and resolutions for all governing body meetings held during the last year.	Attached	Attachments 2021 0114 Annexation Hearing.pdf 2021 0114 Commissioner Minutes.pdf 2021 0114 Minutes part 1.pdf 2021 0114 Minutes Part 2.pdf 2021 0202 Special Meeting Bid packets.pdf 2021 0202 Special Meeting Bids.pdf 2021 0211 Commissioner Minutes.pdf 2021 0311 Commissioner Minutes part 1.pdf 2021 0311 Commissioner Minutes part 2.pdf 2021 0311 Commissioner Minutres.pdf 2021 0322 Special Meeting Sealed Bid Opening.pdf 2021 0330 Special Meeting Construction Bid Award.pdf 2021 0408 Commissioner Minutes.pdf 2021 0513 Commissioner Minutes.pdf 2021 0610 Annex hearing agenda.pdf 2021 0610 Annexation Hearing.pdf 2021 0610 Commissioner Minutes.pdf 2021 0715 Commissioner minutes part 1.pdf 2021 0715 Commissioner Minutes part 2 .pdf 2021 0804 Special Meeting Bond & UC.pdf

Reference	#	Question	Answer	Explanation
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[2021 0812 Commissioner Minutes full.pdf](#)
[2021 0812 Commissioner Minutes part 1.pdf](#)
[2021 0812 Commissioner Minutes part 2.pdf](#)
[2021 0909 Commissioner Minutes.pdf](#)
[2021 1014 Commissioner Minutes part 2.pdf](#)
[2021 1014 Commissioner Minutes.pdf](#)
[2021 1019 Budget Workshop.pdf](#)
[2021 1109 Budget Hearing.pdf](#)
[2021 1110 Commissioner minutes.pdf](#)
[2021 1209 Commissioner Minutes part 1.pdf](#)
[2021 1209 Commissioner Minutes part 2.pdf](#)
[RESOLUTION 2021-01-Officers.pdf](#)
[RESOLUTION 2021-02-District Secretary.pdf](#)
[RESOLUTION 2021-03-Investment Officers.pdf](#)
[RESOLUTION 2021-04-Auditing Officers.pdf](#)
[RESOLUTION 2021-05-Payroll Officers.pdf](#)
[RESOLUTION 2021-06-KCFD3 Medical Records-Privacy Officer.pdf](#)
[RESOLUTION 2021-07-Annexations Nester Peak.pdf](#)
[RESOLUTION 2021-08 SPW Vendor Rosters signed.pdf](#)
[RESOLUTION 2021-09-Annexation Rattlesnake Rd.pdf](#)

Reference	#	Question	Answer	Explanation
				RESOLUTION 2021-10-Adjusting Volunteer Stipend Program.pdf RESOLUTION 2021-11-Ammended annexation.pdf RESOLUTION 2021-12 2022Meeting dates.pdf
	100	Detailed Revenue by Source - Attach a copy of the County Treasurer's Revenue Report that shows total receipts for the year by revenue source. If the County does not provide this report, please upload comparable accounting records to substantiate revenue activity and/or all bank statements for the year that comprise the government's financial statements.	Attach	Attachments 2021 12 Treasurer Report 667 FD3.pdf
	101	Cash Balance Summary - Attach a copy of the year -end County Treasurer (or other fiscal agent) report (s) inclusive of all year-end cash and investment balances. If the government holds funds outside of the County, please upload the first and last bank statements of the year, inclusive of all cash and investment balances.	Attach	Attachments 2021 12 Treasurer Report 667 FD3.pdf
	102	Detailed Expenditure List - Attach warrant registers, payroll registers, check registers and/or petty cash log detailing all expenditures made during the year. This includes those expenditures paid by the County on a government's behalf due to Treasurer responsibilities.	Attach	Attachments 2021 County Audit report KCFD3.pdf

Reference	#	Question	Answer	Explanation
<i>Informational</i>	103	<p>Cash Receipting Policy - Attach a detailed description of the government's invoicing, cash and check receiving and deposit process. The description should include name of positions completing tasks in the process and all reconciliations and reviews performed. Include a copy of your written Cash and Check Receipting Policy or procedure if you have one. This request applies to all governments that invoice for a service (including third party billing services) or receive funds other than at the county treasurer (including charges for services or goods, fees, donations, grants, etc.).</p>	Attached	<p>Attachments 2017 KCFD3 Cash Receiptings.PDF</p>
<i>Informational</i>	104	<p>Elected Official List - Attach or list the names of ALL governing body members present during the year. Include any business interest a governing body member or his/her household members hold. <i>Please avoid sending Board-member/employees/volunteers SSI numbers or other personal information such as addresses, date of birth, etc.</i></p> <p>Example: John Doe, Commissioner 1 Jane Doe, Spouse (555) 555-5555 johndoe@gmail.com Owner of John Doe's Garden Supplies and Jane Doe's Café.</p>	Attached	<p>Attachments 2021 Elected officials .docx</p>
<i>Preparer</i>	105	<p>Please include the below information in the text box (on the right) for the local government personnel who completed the annual report.</p> <p>Full name, role (e.g., Secretary, Board Member, etc.)</p> <p>Telephone number</p> <p>E-mail address</p>	<p>Rosalind Plumb District Secretary 509-493-2996 secretary@kcf3.co m</p>	

FINANCIAL NOTE FOR MEMBER'S 2021 ANNUAL REPORT

The following is a financial note to incorporate in your annual report. See SAO guidance at https://sao.wa.gov/bars_gaap/reporting/notes-to-financial-statements/note-x-risk-management-for-participating-member-of-pool/.

Note X – Risk Management (for participating member of pool)

Klickitat County FPD #3 is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris' program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a "claims made" coverage form. All other coverage is provided on an "occurrence" coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Property ^{(2):}				
Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ^{(5):}				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0
Automobile Physical Damage ⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
Crime Blanket ⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber ⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.