

**Memorandum to:** Orcas Fire Board of Commissioners

**Date:** June 7, 2014

**Subject:** May 2014 Financial Report

Please find attached the May 2014 Financial Report. I trust that you will continue to be pleased with the financial and budget performance of the district.

As of May 31, revenue is tracking at 58.9% overall. Last month I discussed the balance of first half property taxes to be received in early May, and this indeed has occurred – property taxes are now tracking at 58.4% of budget. This compares to 56.8% in 2013. We should not expect a repeat performance in October however. In general, first-half property taxes are received a higher rate compared to second-half property taxes because many taxpayers pay their entire property tax bill in April rather than splitting the payments.

We are now almost halfway through 2014 – and after five months, expenditure tracking is expected to be approximately 41.67%. As has been the trend this year however, the district continues to track under the expected budgeted expenditure rate, with current year operating expenditure tracking at 37.6% (compared to 44.5% in 2013). Capital expenditures are also tracking at a lower than expected rate of 11.5% this year. At the departmental level, each department within the district is tracking either very close to, or below, the expected rate.

I would like to draw your attention to the tracking of a new expenditure item this month:

- **Legislative – Insurance:** Insurance premiums increased during the month because of the new policy for the Deer Harbor Station. This account will continue to be monitored and considered for possible budget adjustment if necessary later in the year.

Prior month expenditure item discussion that carries forward to this month includes:

- **Admin – Professional Services:** this account continues to run high for the same reasons as in prior months – specifically that financial services are now being expended as professional services rather than wages and benefits – and of course you can see that both of those categories are running low. We have discussed the possibility of a budget transfer to account for the change in service delivery and I recommend that we consider doing one after we conclude our mid-year review in July.

- Admin – Communications: because of BARS reporting changes, this account now includes both communications and advertising expenditures. The account is tracking high because there were several expenditures that were paid earlier in the year that related to 2013 but were not able to be paid in time to post to the 2013 budget. In addition, a postage deposit was required by the USPS for a newsletter mailing. This has affected current tracking for the account.
- Operations – Fuel: we, along with everybody else, have experienced significant increases in the price of fuel as this year has progressed. In addition, increased call volume and an increase in BLS transports has necessitated the need to use additional fuel. We will continue to monitor the account to determine whether an adjustment may be required later this year.
- Operations – Travel: this account is also running high as discussed previously (the SAR that occurred in January).
- Facilities – Utilities: While this is currently tracking at 59.3%, we expect it to come more into line as we are out of the winter season. The mid-year review in July will assist in determining whether an adjustment may be necessary.
- Maintenance: While the department is tracking overall at 35.7%, with wages tracking at 41.0% (almost right on target), as you are aware, there have been several changes over the recent past. We will continue to monitor the effects of these changes on the department as they are implemented.

Finally, I am pleased to report that the following prior month expenditure account is now tracking as expected:

- Operations – Wages: this account had been running high due to the error in 2011/2012 deductions that had to be corrected through the payroll system earlier this year. Notwithstanding that it is tracking in line now, we will continue to monitor it on the possibility that a budget amendment may still be required to address it.

Cash and reserves now total \$1.54 million – but property taxes received during the past two months have inflated the total. As you're aware, this level of liquidity is required to ensure that the district will continue to operate through the 'lean' revenue months ahead.

In conclusion, if you have any questions, please do not hesitate to contact me. It is a great pleasure to serve the district.

**Orcas Island Fire Department**  
**Budget vs. Actual**  
**January through May 2014**

	Jan - May 14	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>3100000 - Tax Revenue</b>			
3111000 - Property Tax Revenue	1,192,228.29	2,042,599.00	58.4%
3121000 - Timber Harvest Tax	1,345.82		
3172000 - Leasehold Tax	376.68	3,000.00	12.6%
<b>Total 3100000 - Tax Revenue</b>	<b>1,193,950.79</b>	<b>2,045,599.00</b>	<b>58.4%</b>
<b>3340000 - State Grant Revenue</b>			
3349000 - Regional EMS Council Fire/Hosp	0.00	2,000.00	0.0%
3349200 - State Grant	1,473.00		
3383000 - Fire Protection DNR	0.00	12,000.00	0.0%
<b>Total 3340000 - State Grant Revenue</b>	<b>1,473.00</b>	<b>14,000.00</b>	<b>10.5%</b>
<b>3400000 - General Government Revenue</b>			
3360231 - Federal Pymt in Lieu of Taxes	0.00	3,500.00	0.0%
3478010 - EMS & First Aid Training	1,260.00	2,000.00	63.0%
<b>Total 3400000 - General Government Revenue</b>	<b>1,260.00</b>	<b>5,500.00</b>	<b>22.9%</b>
34922 - Fire Protection - Interdept	209.00		
<b>3600001 - Other Revenue Sources</b>			
3443000 - Maintenance Services	0.00	3,000.00	0.0%
3611107 - Investment Income	188.53	500.00	37.7%
3670000 - Donations	550.00		
3694000 - Judgements & Settlements	449.00		
3699300 - Reimbursement	20,659.32		
3699500 - Refund Prior Year Expenditures	500.00		
<b>Total 3600001 - Other Revenue Sources</b>	<b>22,346.85</b>	<b>3,500.00</b>	<b>638.5%</b>
<b>Total Income</b>	<b>1,219,239.64</b>	<b>2,068,599.00</b>	<b>58.9%</b>
<b>Expense</b>			
<b>5111000 - Legislative</b>			
5111010 - Commissioner Stipend	1,482.00	6,156.00	24.1%
5111020 - Commissioner Benefits	34.90	471.00	7.4%
5111041 - Professional Serv Confer Legal	2,610.00	3,000.00	87.0%
5111043 - Commissioner Travel	0.00	250.00	0.0%
5111046 - Insurance	17,121.00	36,000.00	47.6%
5111049 - Miscellaneous	0.00	1,000.00	0.0%
5117041 - Election Services	1,372.78	12,000.00	11.4%
5142341 - State Audit	0.00	7,500.00	0.0%
<b>Total 5111000 - Legislative</b>	<b>22,620.68</b>	<b>66,377.00</b>	<b>34.1%</b>
<b>5221000 - Fire Administration</b>			
5221010 - Wages, Fire & EMS	109,750.90	309,540.00	35.5%
5221020 - Personnel Benefits	33,228.71	89,756.00	37.0%
5221031 - Admin Supplies	4,192.76	10,000.00	41.9%
5221035 - Admin Equipment	1,175.11		
5221041 - Professional Services	29,552.94	13,000.00	227.3%
5221042 - Communications	12,987.27	21,000.00	61.8%
5221043 - Admin Travel	319.81	7,500.00	4.3%
5221044 - Taxes & Assessments	0.00	1,500.00	0.0%
5221045 - Rentals	40.00	60.00	66.7%
5221048 - Repair & Maintenance	614.93	200.00	307.5%
5221049 - Miscellaneous	5,919.19	18,175.00	32.6%
<b>Total 5221000 - Fire Administration</b>	<b>197,781.62</b>	<b>470,731.00</b>	<b>42.0%</b>

**Orcas Island Fire Department  
Budget vs. Actual  
January through May 2014**

	Jan - May 14	Budget	% of Budget
<b>5222000 · Fire &amp; EMS Operations</b>			
5222010 · Wages, Operations	177,320.81	420,838.00	42.1%
5222020 · Operations Benefits	86,424.38	239,776.00	36.0%
5222021 · Volunteer Shift Meal Per Diem	3,746.74	10,300.00	36.4%
5222031 · Operating Supplies	9,948.59	30,000.00	33.2%
5222032 · Fire Apparatus Fuel	9,982.34	12,000.00	83.2%
5222035 · Small Tools & Minor Equipment	1,685.43	300.00	561.8%
5222041 · Professional Services	1,218.36	100.00	1,218.4%
5222043 · Travel	2,186.65	1,500.00	145.8%
5222049 · Response Reimbursement	0.00	53,000.00	0.0%
<b>Total 5222000 · Fire &amp; EMS Operations</b>	<b>292,513.30</b>	<b>767,814.00</b>	<b>38.1%</b>
<b>5223000 · Prevention &amp; Public Education</b>			
5223031 · Public Ed Operating Supplies	817.54	5,200.00	15.7%
5223041 · Professional Services	272.00	2,850.00	9.5%
5223042 · Communications	2,822.60	8,000.00	35.3%
5223043 · Travel	0.00	100.00	0.0%
5223049 · Miscellaneous	165.00	250.00	66.0%
<b>Total 5223000 · Prevention &amp; Public Education</b>	<b>4,077.14</b>	<b>16,400.00</b>	<b>24.9%</b>
<b>5224000 · Fire &amp; EMS Training</b>			
5224031 · Operating Supplies	982.71	5,400.00	18.2%
5224041 · Professional Services	9,280.41	28,000.00	33.1%
5224043 · Fire Training Travel	1,997.04	16,000.00	12.5%
5224049 · Drill Reimbursements	0.00	15,000.00	0.0%
5224064 · New Equipment	0.00	500.00	0.0%
<b>Total 5224000 · Fire &amp; EMS Training</b>	<b>12,260.16</b>	<b>64,900.00</b>	<b>18.9%</b>
<b>5225000 · Fire Control Facilities</b>			
5225031 · Facility Supplies	831.80	6,600.00	12.6%
5225041 · Professional Services	205.10	1,300.00	15.8%
5225045 · Facility Leases	0.00	2,000.00	0.0%
5225047 · Utilities	24,314.26	41,000.00	59.3%
5225048 · Facility Repair & Maintenance	4,108.74	23,100.00	17.8%
5225064 · New Equipment	0.00	500.00	0.0%
<b>Total 5225000 · Fire Control Facilities</b>	<b>29,459.90</b>	<b>74,500.00</b>	<b>39.5%</b>
<b>5225100 · Maintenance</b>			
5225110 · Wages, Maintenance	22,556.89	54,996.00	41.0%
5225120 · Maintenance Benefits	5,178.45	17,670.00	29.3%
5225131 · Operating Supplies	164.80	2,700.00	6.1%
5225135 · Small Tools & Minor Equipment	2,610.33	500.00	522.1%
5225141 · Professional Services	104.16		
5225143 · Travel	0.00	600.00	0.0%
5225148 · Repair	5,298.99	22,000.00	24.1%
5225149 · Miscellaneous	0.00	2,000.00	0.0%
<b>Total 5225100 · Maintenance</b>	<b>35,913.62</b>	<b>100,466.00</b>	<b>35.7%</b>
<b>5262000 · Emergency Medical Aid</b>			
5262031 · Operating Supplies	6,396.06	30,000.00	21.3%
5262032 · Ambulance Fuel	0.00	4,800.00	0.0%
5262035 · Small Tools & Minor Equipment	463.66	500.00	92.7%
5262041 · Professional Services	8,524.99	33,475.00	25.5%
5262043 · Ambulance Travel BLS Transport	85.34	5,000.00	1.7%
5262044 · Volunteer Per Diem BLS Trans	1,300.00	2,153.00	60.4%
5262048 · Repair & Maintenance	0.00	200.00	0.0%
5262064 · New Equipment	0.00	500.00	0.0%
<b>Total 5262000 · Emergency Medical Aid</b>	<b>16,770.05</b>	<b>76,628.00</b>	<b>21.9%</b>
<b>5263000 · Emergency Medical Aid Operation</b>			
5263031 · Operating Supplies	60.45		
5263041 · Professional Services	5,416.66		
<b>Total 5263000 · Emergency Medical Aid Operation</b>	<b>5,477.11</b>		

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06/07/14

Accrual Basis

**Orcas Island Fire Department  
Budget vs. Actual  
January through May 2014**

	<u>Jan - May 14</u>	<u>Budget</u>	<u>% of Budget</u>
<b>5281000 - Communications</b>			
5281031 - Operating Supplies	160.40	500.00	32.1%
5281045 - Rentals	1,271.20	3,000.00	42.4%
5281048 - Repair & Maintenance	0.00	3,125.00	0.0%
5281050 - Sheriffs Contract Dispatch	15,745.40	40,000.00	39.4%
5281064 - New Equipment	0.00	3,000.00	0.0%
<b>Total 5281000 - Communications</b>	<u>17,177.00</u>	<u>49,625.00</u>	<u>34.6%</u>
<b>Total Expense</b>	<u>634,050.58</u>	<u>1,687,441.00</u>	<u>37.6%</u>
<b>Net Ordinary Income</b>	585,189.06	381,158.00	153.5%
<b>Other Income/Expense</b>			
<b>Other Income</b>			
3610000 - Interest Income			
3611110 - Reserve Fund Invest. Interest	31.87		
<b>Total 3610000 - Interest Income</b>	<u>31.87</u>		
<b>Total Other Income</b>	31.87		
<b>Other Expense</b>			
5940000 - Capital Expenditures			
5942262 - Buildings and Structures	22,089.00	95,800.00	23.1%
5942264 - Machinery and Equipment	7,799.47	164,016.00	4.8%
<b>Total 5940000 - Capital Expenditures</b>	<u>29,888.47</u>	<u>259,816.00</u>	<u>11.5%</u>
<b>Total Other Expense</b>	<u>29,888.47</u>	<u>259,816.00</u>	<u>11.5%</u>
<b>Net Other Income</b>	<u>-29,856.60</u>	<u>-259,816.00</u>	<u>11.5%</u>
<b>Net Income</b>	<u><u>555,332.46</u></u>	<u><u>121,342.00</u></u>	<u><u>457.7%</u></u>

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06/07/14

Accrual Basis

**Orcas Island Fire Department**  
**Balance Sheet**  
As of May 31, 2014

	<u>May 31, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
General Fund Cash	998,701.94
OIF&R Operating Account	22,895.20
Petty Cash	200.00
Reserve Fund Cash	892.56
<b>Total Checking/Savings</b>	<u>1,022,689.70</u>
<b>Accounts Receivable</b>	
1200 - Accounts Receivable	179.00
<b>Total Accounts Receivable</b>	<u>179.00</u>
<b>Total Current Assets</b>	1,022,868.70
<b>Other Assets</b>	
General Fund Investments	439,638.38
Reserve Fund Investments	77,726.49
<b>Total Other Assets</b>	<u>517,364.87</u>
<b>TOTAL ASSETS</b>	<u><b>1,540,233.57</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
Trusteed Plans Payable	7,181.19
<b>Total Other Current Liabilities</b>	<u>7,181.19</u>
<b>Total Current Liabilities</b>	<u>7,181.19</u>
<b>Total Liabilities</b>	7,181.19
<b>Equity</b>	
3000 - Opening Bal Equity	184,843.23
3900 - Retained Earnings	792,876.69
Net Income	555,332.46
<b>Total Equity</b>	<u>1,533,052.38</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>1,540,233.57</b></u>