

Memorandum to: Orcas Fire Board of Commissioners

Date: September 14, 2015

Subject: August 2015 Financial Summary

I am pleased to present to you the financial summary for August 2015. The following table provides an outline of revenue and expenditures for the year-to-date, along with a comparison to last year. Discussion on specific budget lines is detailed further below.

Category	1/1/15 - 8/31/15		1/1/14 - 8/31/14	
	Dollars	% of Budget	Dollars	% of Budget
Revenue	\$ 1,317,141	59.50%	\$ 1,285,077	62.10%
Operating Expenditures	1,367,102	64.10%	1,044,110	61.40%
Capital Expenditures	132,508	73.20%	49,840	19.20%

Revenue:

Year to date revenue totals \$1,317,141 compared to \$1,285,077 in 2014. It continues to track slightly lower than last year, and as mentioned previously, I have concluded that this is likely due to a more precise 2015 revenue budget. As an aside, 2015 property taxes are currently tracking at 62.5%, which continues to be a couple of percentage points ahead of last year.

Expenditures:

The conclusion of August brings us two-thirds of the way through 2015, so average expenditure tracking is expected to be 66.67%. I am happy to share with you that for a third month in a row, we are tracking below the expected level, closing August at a rate 64.1% for operations. This is 2.57% under budget, compared to 1.73% under budget at July 31st.

Of course there some exceptions, which are outlined below. You will note that many of these items have been addressed in prior months already.

Description	Tracking %age	Reason
<u>Legislative:</u>		
Insurance	119.00%	As outlined in prior reports, there have been several delayed invoices received this year, which has continued to affect the tracking of this account. With an additional station online, total costs have increased. While the 2016 budget will better reflect anticipated tracking, a 2015 adjustment may be necessary if the excess cannot be accommodated within other existing budget funds. Please note that there was no account utilization during the month.
State Audit	283.30%	As outlined in prior reports, all invoices have now been received and thus all costs associated with the audit have been paid. As you are aware, the audit that was completed was originally budgeted for 2014. As such, a carryforward may be necessary during 2015 to reflect this.
<u>Administration:</u>		
Supplies	82.10%	This account continues to track over budget but we still do not consider the overage to be significant at this time. With that said, the account will be considered for a possible 2016 budget adjustment.
Equipment	104.80%	As you are aware, the capital asset policy adopted at the end of 2014 has caused us to budget for equipment purchases differently than in the past and it is likely that one or two budget cycles will be needed to determine appropriate expenditure levels for the equipment accounts.
Professional Svcs	82.20%	While the account continues to track over budget, note that monthly expenditures were lower than average. This account has been highlighted for a possible adjustment if necessary.
Communications	70.90%	Communication costs (cell phones, postage, shipping, etc.) are now tracking slightly over budget. If this continues, the 2016 budget will reflect an adjustment for this account.
<u>Operations:</u>		
Wages	71.90%	Changes to the organizational structure continue to be reflected in higher tracking for this account. This continues to be offset by lower tracking in administration wages.
Benefits	80.10%	Similar to wages, changes to the organizational structure continue to be reflected in higher tracking for this account. Again, this is being offset by lower tracking in administration benefits.
Supplies	81.40%	Tracking on this account continues to be skewed because of a one-time purchase of radio antennas (which had been previously discussed at a board meeting). A budget adjustment is not anticipated at this time.
Equipment	165.70%	This relates to the purchase of computers over a two month period early in the year and as more recently discussed, to purchase pagers for the new recruits.

Response Reimb	75.10%	Response reimbursements to close out 4th quarter of 2014, along with monthly payments in 2015 have caused tracking to be high. This was a known item going into the year and as such, the account is expected to run overbudget for the year.
<u>Grant:</u>		
Benefits	80.00%	After approval of the 2015 budget, the grant was amended to maintain a common benefit level between all District employees. Because this benefit is fully reimbursable under the grant, the budget variance is not a concern. With that said, the 2016 budget will be adjusted to account for this change.
PPE	93.80%	For the sixth month in a row, this account was not utilized. With that said, non-recurring expenditures do not follow a consistent pattern of tracking throughout a year, and in this case, was due to the purchase of PPE for new volunteers. However, because this is also fully reimbursable under the grant, the budget variance is not a concern.
<u>Training:</u>		
Travel	67.60%	This account is now tracking close to budget. It will be considered for a possible adjustment in the 2016 budget.
Drill Reimb	69.70%	Increased volunteer participation in training drills has caused this account to track higher than budget. Continued activity will likely necessitate a 2016 budget adjustment.
<u>Facilities:</u>		
Equipment	2015.50%	The account was not utilized during the month. With that said - and as previously noted - in dollar terms, the overage is not material, and relates to the purchase of needed facilities items. With that said - and as noted above in admin equipment - it may take one or two budget cycles to determine normal account utilization due to the implementation of the new capital asset policy.
Professional Svcs	129.80%	While the account was not utilized for the second month in a row, as previously discussed, it has been tracking high due to mandatory alarm testing. It will be monitored for consideration of a potential adjustment in 2016.
Misc	220.90%	In dollar terms, the overage is not material, and relates to real estate taxes due on District property. There was no usage of the account for the fifth month in a row.
<u>Apparatus Maint:</u>		
Wages	70.50%	As previously discussed, extra help wages have been included in this program. This will be monitored for consideration of a potential adjustment.
Supplies	252.70%	Needed apparatus supply items drive account utilization. A budget adjustment will be necessary for 2016.

Equipment	72.80%	As you are aware, the capital asset policy adopted at the end of 2014 has caused us to budget for equipment purchases differently than in the past and it is likely that one or two budget cycles will be needed to determine appropriate expenditure levels for the equipment accounts.
Professional Svcs	99.60%	While the variance tracking is significant, the dollar amount is not. For the sixth month in a row, the account was not utilized.
R & M	115.30%	As previously discussed, carryforward items from 2014, along with significant outside repair activity has occurred this year due to changes in the District's maintenance program. An adjustment will be required in the 2016 budget.
<u>Emergency Medical:</u>		
Supplies	74.00%	Significant supply purchases occurred during the month, which has pushed this account over budget. If necessary, the 2016 budget will reflect a change to ensure better tracking next year.
R & M	1396.30%	Major maintenance of stretchers occurred earlier in the year, along with the MRx service contract was paid in March (which had previously been expended as a 'capital' item). A change in the 2016 budget will be necessary. Again, this account was only used nominally during the month.
<u>Capital:</u>		
Equipment	105.00%	As previously discussed, this is primarily a situation of non-recurring expenditures carried forward from 2014. Expected capital and other significant expenditures were reviewed at the August board meeting and as such, it is known that this account will not track to budget for the rest of this year.

Cash and Reserves:

As we have previously discussed, overall cash and reserves continue to be down year-over-year. Note that the primary reason for this is the now monthly response payments being made to volunteers as well as timing related to the expenditure and receipt of grant funds. The District will continue to maintain operations and capital acquisitions as anticipated.

Description	8/31/2015	8/31/2015
Total Cash & Reserves	\$ 1,018,255	\$ 1,204,914
Add: Accounts Receivable	179	179

Less: Accounts Payable	(38,976)	(22,865)
Available Cash & Reserves	\$ 979,458	\$ 1,182,228

Conclusion

I look forward to presenting this information to you at our meeting on September 17th. If you have any questions, please do not hesitate to contact me.

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Orcas Island Fire Department Budget vs. Actual January through August 2015

	Jan - Aug 15	Budget	% of Budget
Ordinary Income/Expense			
Income			
3100000 · Tax Revenue			
3111000 · Property Tax Revenue	1,253,629.36	2,006,315.00	62.5%
3121000 · Timber Harvest Tax	390.42		
3172000 · Leasehold Tax	1,499.71	3,000.00	50.0%
3100000 · Tax Revenue - Other	0.00	0.00	0.0%
Total 3100000 · Tax Revenue	1,255,519.49	2,009,315.00	62.5%
3319708 · Federal SAFER Grant	28,475.00	178,922.00	15.9%
3340000 · State Grant Revenue			
3349000 · Regional EMS Council Fire/Hosp	1,341.00	2,000.00	67.1%
3383000 · Fire Protection DNR	0.00	12,000.00	0.0%
Total 3340000 · State Grant Revenue	1,341.00	14,000.00	9.6%
3400000 · General Government Revenue			
3229022 · Fire Permits	0.00		
3360231 · Federal Pymt in Lieu of Taxes	0.00	3,500.00	0.0%
3382225 · Fire Marshal Reimbursement	9,225.19		
3417000 · Sale of Merchandise	390.00		
3478010 · EMS & First Aid Training	1,050.00	2,000.00	52.5%
Total 3400000 · General Government Revenue	10,665.19	5,500.00	193.9%
34922 · Fire Protection - Interdept	20.00		
3600001 · Other Revenue Sources			
3416900 · Photocopies, Certificate, Fax	6.81		
3611107 · Investment Income	543.50	500.00	108.7%
3621000 · Rental Income	350.00		
3670000 · Donations	4,478.21	4,000.00	112.0%
3691000 · Sale of Surplus & Junk	1,769.39		
3694000 · Judgements & Settlements	212.77		
3696300 · OPALCO Capit'l Credit	795.43		
3699040 · Cleaning Cost for Meeting Room	100.00		
3699300 · Reimbursement	165.47		
3699600 · Small Refund from Vendor	77.96		
3980000 · L&I Insurance Recoveries	12,623.97		
Total 3600001 · Other Revenue Sources	21,123.51	4,500.00	469.4%
Total Income	1,317,144.19	2,212,237.00	59.5%
Expense			
5111000 · Legislative			
5221110 · Commissioner Stipend	2,850.00	6,156.00	46.3%
5221120 · Commissioner Benefits	69.77	471.00	14.8%
5221141 · Professional Services	775.69	4,000.00	19.4%
5221143 · Travel	0.00	250.00	0.0%
5221146 · Insurance	48,780.06	41,000.00	119.0%
5221149 · Miscellaneous	0.00	1,000.00	0.0%
5221151 · Election Services	0.00	2,500.00	0.0%
5221152 · State Audit	14,166.58	5,000.00	283.3%
Total 5111000 · Legislative	66,642.10	60,377.00	110.4%
5221000 · Fire Administration			
5221010 · Wages	164,450.09	295,821.00	55.6%
5221020 · Benefits	43,823.38	108,747.00	40.3%
5221031 · Supplies	8,208.30	10,000.00	82.1%
5221035 · Equipment	2,621.00	2,500.00	104.8%
5221041 · Professional Services	40,671.21	49,500.00	82.2%
5221042 · Communications	14,882.46	21,000.00	70.9%
5221043 · Travel	1,961.96	7,500.00	26.2%
5221044 · Taxes & Assessments	0.00	100.00	0.0%
5221045 · Rentals	0.00	100.00	0.0%
5221048 · Repair & Maintenance	356.68	1,000.00	35.7%
5221049 · Miscellaneous	5,260.08	18,175.00	28.9%
Total 5221000 · Fire Administration	282,235.16	514,443.00	54.9%

Orcas Island Fire Department Budget vs. Actual January through August 2015

	Jan - Aug 15	Budget	% of Budget
5222000 · Fire & EMS Operations			
5222010 · Wages	340,713.60	474,104.00	71.9%
5222020 · Benefits	113,112.16	141,189.00	80.1%
5222021 · Volunteer Duty Shift	4,310.00	10,300.00	41.8%
5222022 · Volunteer Benefits	41,775.19	135,900.00	30.7%
5222031 · Supplies	25,409.66	31,200.00	81.4%
5222032 · Fuel	12,789.41	21,000.00	60.9%
5222035 · Equipment	19,467.45	11,750.00	165.7%
5222041 · Professional Services	7,808.31	20,000.00	39.0%
5222043 · Travel	2,529.70	4,000.00	63.2%
5222049 · Response Reimbursement	63,075.00	84,000.00	75.1%
Total 5222000 · Fire & EMS Operations	630,990.48	933,443.00	67.6%
5222200 · SAFER Grant			
5222210 · Wages - Volunteer Coord	24,799.00	37,440.00	66.2%
5222220 · Benefits - Volunteer Coord	8,490.88	10,607.00	80.0%
5222221 · Insurance Benefits - Volunteers	0.00	46,145.00	0.0%
5222222 · Air Ambulance - Volunteers	1,340.81	5,530.00	24.2%
5222223 · Screenings - Volunteers	4,734.87	13,200.00	35.9%
5222224 · AFG Duty Shift	9,825.00		
5222231 · Supplies	87.46		
5222241 · Services	0.00	30,000.00	0.0%
5222264 · PPE	33,751.70	36,000.00	93.8%
Total 5222200 · SAFER Grant	83,029.72	178,922.00	46.4%
5222300 · BLM Grant			
5222331 · Supplies	1,705.82		
Total 5222300 · BLM Grant	1,705.82		
5223000 · Prevention & Public Education			
5223031 · Supplies	3,658.23	6,500.00	56.3%
5223035 · Equipment	0.00	100.00	0.0%
5223041 · Professional Services	1,070.00	11,000.00	9.7%
5223042 · Communications	1,444.57		
5223043 · Travel	0.00	100.00	0.0%
5223049 · Miscellaneous	0.00	250.00	0.0%
Total 5223000 · Prevention & Public Education	6,172.80	17,950.00	34.4%
5223100 · Fire Marshal			
5223110 · Wages, Fire Marshal	12,282.50	22,000.00	55.8%
5223120 · Personnel Benefits	976.64	1,683.00	58.0%
Total 5223100 · Fire Marshal	13,259.14	23,683.00	56.0%
5224500 · Fire & EMS Training			
5224510 · Training Stipend	500.00		
5224531 · Supplies	1,507.94	5,400.00	27.9%
5224535 · Equipment	0.00	100.00	0.0%
5224541 · Professional Services	22,395.50	42,000.00	53.3%
5224543 · Travel	10,821.81	16,000.00	67.6%
5224549 · Drill Reimbursements	10,459.52	15,000.00	69.7%
Total 5224500 · Fire & EMS Training	45,684.77	78,500.00	58.2%
5225000 · Fire Control Facilities			
5225031 · Supplies	1,979.40	6,600.00	30.0%
5225035 · Equipment	2,015.49	100.00	2,015.5%
5225041 · Professional Services	1,687.50	1,300.00	129.8%
5225045 · Facility Leases	0.00	2,000.00	0.0%
5225047 · Utilities	28,269.65	45,000.00	62.8%
5225048 · Repair & Maintenance	11,570.81	23,100.00	50.1%
5225049 · Miscellaneous	220.94	100.00	220.9%
Total 5225000 · Fire Control Facilities	45,743.79	78,200.00	58.5%

Orcas Island Fire Department
Budget vs. Actual
 January through August 2015

	Jan - Aug 15	Budget	% of Budget
5226000 · Apparatus Maintenance			
5226010 · Wages	41,238.61	58,506.00	70.5%
5226020 · Benefits	11,705.09	18,138.00	64.5%
5226031 · Supplies	6,318.05	2,500.00	252.7%
5226035 · Equipment	2,183.76	3,000.00	72.8%
5226041 · Professional Services	249.05	250.00	99.6%
5226043 · Travel	520.00	600.00	86.7%
5226048 · Repair & Maintenance	53,027.74	46,000.00	115.3%
5226049 · Miscellaneous	96.69	1,000.00	9.7%
Total 5226000 · Apparatus Maintenance	115,338.99	129,994.00	88.7%
5227000 · Emergency Medical Aid			
5227031 · Supplies	22,192.92	30,000.00	74.0%
5227035 · Equipment	0.00	2,500.00	0.0%
5227041 · Professional Services	21,713.67	34,000.00	63.9%
5227043 · Travel/Transport	331.08	3,000.00	11.0%
5227048 · Repair & Maintenance	2,792.50	200.00	1,396.3%
5227049 · Volunteer Per Diem BLS Trans	1,100.00	2,200.00	50.0%
Total 5227000 · Emergency Medical Aid	48,130.17	71,900.00	66.9%
5281000 · Communications			
5222131 · Supplies	0.00	500.00	0.0%
5222145 · Rentals	2,082.28	3,200.00	65.1%
5222148 · Repair & Maintenance	0.00	3,000.00	0.0%
5222150 · Sheriffs Contract Dispatch	26,069.36	40,000.00	65.2%
Total 5281000 · Communications	28,151.64	46,700.00	60.3%
5970000 · Fund Transfers Out	17.00		
Total Expense	1,367,101.58	2,134,112.00	64.1%
Net Ordinary Income	-49,957.39	78,125.00	-63.9%
Other Income/Expense			
Other Income			
3610000 · Interest Income			
3611110 · Reserve Fund Invest. Interest	73.19		
Total 3610000 · Interest Income	73.19		
3951000 · Sale of Fixed Assets	1,225.00		
Total Other Income	1,298.19		
Other Expense			
5940000 · Capital Expenditures			
5942262 · Buildings and Structures	5,245.08	59,800.00	8.8%
5942264 · Machinery and Equipment	127,262.46	121,200.00	105.0%
Total 5940000 · Capital Expenditures	132,507.54	181,000.00	73.2%
Total Other Expense	132,507.54	181,000.00	73.2%
Net Other Income	-131,209.35	-181,000.00	72.5%
Net Income	-181,166.74	-102,875.00	176.1%

**Orcas Island Fire Department
 Balance Sheet
 As of August 31, 2015**

	Aug 31, 15
ASSETS	
Current Assets	
Checking/Savings	
General Fund Cash	424,853.12
OIF&R Operating Account	54,729.63
Petty Cash	200.00
Reserve Fund Cash	1,007.57
Revolving Fund	100.00
Total Checking/Savings	480,890.32
Accounts Receivable	
1200 · Accounts Receivable	179.00
Total Accounts Receivable	179.00
Total Current Assets	481,069.32
Other Assets	
General Fund Investments	459,638.38
Reserve Fund Investments	77,726.49
Total Other Assets	537,364.87
TOTAL ASSETS	1,018,434.19
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	38,976.25
Total Accounts Payable	38,976.25
Other Current Liabilities	
IAFF Dues Payable	700.00
LEOFF Retirement Payable	7,360.12
Nationwide Retirement Payable	7,143.02
Trusteed Plans Payable	10,195.34
941 · 941 Taxes Payable	256.80
Total Other Current Liabilities	25,655.28
Total Current Liabilities	64,631.53
Total Liabilities	64,631.53
Equity	
3000 · Opening Bal Equity	184,843.23
3900 · Retained Earnings	950,126.17
Net Income	-181,166.74
Total Equity	953,802.66
TOTAL LIABILITIES & EQUITY	1,018,434.19