

Washington State Auditor's Office
Financial Statements Audit Report

Bainbridge Island Fire Department
Kitsap County

Audit Period
January 1, 2011 through December 31, 2012

Report No. 1010993

Issue Date
December 23, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

December 23, 2013

Board of Commissioners
Bainbridge Island Fire Department
Bainbridge Island, Washington

Report on Financial Statements

Please find attached our report on Bainbridge Island Fire Department's financial statements.

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

Sincerely,

**TROY KELLEY
STATE AUDITOR**

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Kitsap County
January 1, 2011 through December 31, 2012**

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Independent Auditor's 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*

**Bainbridge Island Fire Department
Kitsap County
January 1, 2011 through December 31, 2012**

Board of Commissioners
Bainbridge Island Fire Department
Bainbridge Island, 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 Bainbridge Island Fire Department, Kitsap County, Washington, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 16, 2013.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



TROY KELLEY
STATE AUDITOR

December 16, 2013

Independent Auditor's Report on Financial Statements

Bainbridge Island Fire Department Kitsap County January 1, 2011 through December 31, 2012

Board of Commissioners
Bainbridge Island Fire Department
Bainbridge Island, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bainbridge Island Fire Department, Kitsap County, Washington, for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 6.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Bainbridge Island Fire Department, for the years ended December 31, 2012 and 2011, on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared in accordance with the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Liabilities are presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Purpose of this Report

The report is intended for the information and use of the management and the Board of Commissioners of the District. 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style with a large "X" between the first and last names.

TROY KELLEY
STATE AUDITOR

December 16, 2013

Financial Section

**Bainbridge Island Fire Department
Kitsap County
January 1, 2011 through December 31, 2012**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2012
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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds*	001 General	201 Debt Service	301 Capital
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	4,868,448	3,929,921	0	938,527
38880/58880	Prior Period Adjustments, net	0	0	0	0
				0	
Operating Revenues					
310	Taxes	6,905,374	6,905,374	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	207,275	207,275	0	0
340	Charges for Goods and Services	258,957	258,957	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	43,418	33,015	0	10,403
Total Operating Revenues:		7,415,024	7,404,621	0	10,403
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	6,251,486	6,251,486	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		6,251,486	6,251,486	0	0
Net Operating Increase (Decrease):		1,163,538	1,153,135		10,403
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	31,757	31,757	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	541,440	0	517,440	24,000
Total Nonoperating Revenues:		573,197	31,757	517,440	24,000
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	517,440	0	517,440	0
594-595	Capital Expenditures	47,453	0	0	47,453
597	Transfers-Out	541,440	541,440	0	0
Total Nonoperating Expenditures:		1,106,333	541,440	517,440	47,453
Increase (Decrease) in Cash and Investments		630,402	643,452	0	-13,050
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	5,498,850	4,573,373	0	925,477
				0	

The accompanying notes are an integral part of this Statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**For the Year Ended December 31, 2011**

BARS Code		Total for All funds*	001 General	201 Debt Service	301 Capital
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	3,634,783	3,033,624	0	601,159
38880/58880	Prior Period Adjustments, net	0	0	0	0
				0	
Operating Revenues					
310	Taxes	7,355,814	7,355,814	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	253,470	253,470	0	0
340	Charges for Goods and Services	189,115	189,115	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	61,861	40,894	0	20,968
Total Operating Revenues:		7,860,261	7,839,293	0	20,968
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	6,058,042	6,058,042	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		6,058,042	6,058,042	0	0
Net Operating Increase (Decrease):		1,802,219	1,781,251		20,968
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	89,976	0	0	89,976
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	884,954	0	506,520	378,434
Total Nonoperating Revenues:		974,930	0	506,520	468,410
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	506,520	0	506,520	0
594-595	Capital Expenditures	152,010	0	0	152,010
597	Transfers-Out	884,954	884,954	0	0
Total Nonoperating Expenditures:		1,543,484	884,954	506,520	152,010
Increase (Decrease) in Cash and Investments		1,233,664	896,297	0	337,368
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	4,868,449	3,929,921	0	938,528
				0	

The accompanying notes are an integral part of this Statement.

BAINBRIDGE ISLAND  **FIRE DEPARTMENT**

Kitsap County Fire District #2

MCAG No. 1163

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kitsap County Fire District #2 (Bainbridge Island Fire Department) is a special purpose government agency that provides fire protection and emergency medical services to the general public and is supported primarily through property taxes. The District was formed on October 19, 1942 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts.

a. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of double-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District.

General (Current Expense) Fund

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

Debt Service (Bond) Fund

This fund accounts for the accumulation of resources to pay principal, interest and related costs on long-term bond debt.

Capital Project Fund

This fund accounts for financial resources that are designated for the acquisition or construction of capital assets, including accumulation of resources to pay principal, interest and related costs of financing acquisition or construction.

Reserve Fund

This managerial fund accounts for resources being held by the District for specific purposes and liabilities as determined by Resolution of the Board of Commissioners. The Reserve Fund is rolled up into the General Fund for reporting purposes due to failure of the 20% rule.

b. Basis of Accounting

The District reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *Cash Basis Budgeting Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, with the following exception: goods and professional services budgeted and received within a calendar year are accrued and expensed in that period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

c. Cash

It is the District's policy to invest all temporary cash surpluses. The amount is included on the Statement of Resources and Uses Arising from Cash Transactions as Net Cash and Investments.

BAINBRIDGE ISLAND  FIRE DEPARTMENT

Kitsap County Fire District #2

MCAG No. 1163

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NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended December 31, 2012

d. Deposits

The District's deposits are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

e. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. The capital assets of the Bainbridge Island Fire Department are recorded as expenditures when purchased.

f. Compensated Absences

Vacation pay may be accumulated with a maximum of one year's accrual carried over from one calendar year to the next. All excess is payable in the first payroll of the calendar year at the then current hourly rate of pay. All accumulated, but unused vacation hours are payable upon separation or retirement.

Beginning January 1, 2008 sick leave may accumulate with no maximum hours. Upon separation or retirement, sick leave hours are calculated at the current hourly rate of pay and distributed to the employee's Health Reimbursement Account.

NOTE 2 - PROPERTY TAXES

The Kitsap County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed upon receipt.

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

The District's regular levy for the year 2011 for collection in 2012 was \$0.871043 per \$1,000 on an assessed valuation of \$5,386,241,967 with a total levy of \$4,691,797.

The District's first EMS levy was passed in the November 2009 General Election. The EMS levy for is for a maximum of \$0.40 per \$1,000 of assessed value for a period of 10 years. The EMS levy for 2012 on an assessed valuation of \$5,386,241,967 is \$2,154,521.

NOTE 3 - INVESTMENTS

The District's investments are held by the Kitsap County Treasurer as its agent in the District's name. Investments by type at December 31, 2012 were as follows:

<u>Type of Investment</u>	<u>Balance</u>
Washington State Local Government Investment Pool	\$5,677,612.32
Total	\$5,677,612.32

BAINBRIDGE ISLAND  FIRE DEPARTMENT

Kitsap County Fire District #2

MCAG No. 1163

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NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended December 31, 2012

NOTE 4 - DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District's debt transactions for the year ended December 31, 2012.

The debt service requirements, including both principle and interest, are as follows:

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Other Debt</u>	<u>Total Debt</u>
2013	531,748		531,748
2014	554,538		554,538
	\$ 1,086,286	\$	1,086,286

NOTE 5 - PENSION PLANS

Substantially all of the District's full-time employees participate in the Law Enforcement Officers' and Fire Fighters' Plan II administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the District's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be obtained at: Department of Retirement Systems, Communications Unit, PO Box 48380, Olympia, WA 98504-8380.

NOTE 6 - OTHER DISCLOSURES

In 2011 a lawsuit was brought against the Department for a personnel issue. This litigation was settled in January 2013 by the Department's insurance carrier.

BAINBRIDGE ISLAND  **FIRE DEPARTMENT**

Kitsap County Fire District #2

MCAG No. 1163

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kitsap County Fire District #2 (Bainbridge Island Fire Department) is a special purpose government agency that provides fire protection and emergency medical services to the general public and is supported primarily through property taxes. The District was formed on October 19, 1942 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts.

a. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of double-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District.

General (Current Expense) Fund

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

Debt Service (Bond) Fund

This fund accounts for the accumulation of resources to pay principal, interest and related costs on long-term bond debt.

Capital Project Fund

This fund accounts for financial resources that are designated for the acquisition or construction of capital assets, including accumulation of resources to pay principal, interest and related costs of financing acquisition or construction.

Reserve Fund

This managerial fund accounts for resources being held by the District for specific purposes and liabilities as determined by Resolution of the Board of Commissioners. The Reserve Fund is rolled up into the General Fund for reporting purposes due to failure of the 20% rule.

b. Basis of Accounting

The District reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *Cash Basis Budgeting Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, with the following exception: goods and professional services budgeted and received within a calendar year are accrued and expensed in that period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

c. Cash

It is the District's policy to invest all temporary cash surpluses. The amount is included on the Statement of Resources and Uses Arising from Cash Transactions as Net Cash and Investments.

BAINBRIDGE ISLAND  **FIRE DEPARTMENT**

Kitsap County Fire District #2

MCAG No. 1163

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NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended December 31, 2011

d. Deposits

The District's deposits are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

e. Capital Assets

Capital assets are long-lived assets of the District and are recorded as capital expenditures when purchased.

f. Compensated Absences

Vacation pay may be accumulated with a maximum of one year's accrual carried over from one calendar year to the next. All excess is payable in the first payroll of the calendar year at the then current hourly rate of pay. All accumulated, but unused vacation hours are payable upon separation or retirement.

Beginning January 1, 2008 sick leave may accumulate with no maximum hours. Upon separation or retirement, sick leave hours are calculated at the current hourly rate of pay and distributed to the employee's Health Reimbursement Account.

The District's estimated liability for sick leave and vacation leave termination benefits at December 31, 2011 was \$973,324.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

NOTE 3 - PROPERTY TAXES

The Kitsap County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed upon receipt.

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

The District's regular levy for the year 2010 for collection in 2011 was \$0.902244 per \$1,000 on an assessed valuation of \$5,642,416,023 with a total levy of \$5,095,071.

The District's first EMS levy was passed in the November 2009 General Election. The EMS levy for is for a maximum of \$0.40 per \$1,000 of assessed value for a period of 10 years. The EMS levy for 2011 on an assessed valuation of \$5,642,416,023 is \$2,256,966.

NOTE 4 - INVESTMENTS

The District's investments are held by the Kitsap County Treasurer as its agent in the District's name. Investments by type at December 31, 2011 were as follows:

<u>Type of Investment</u>	<u>Balance</u>
Washington State Local Government Investment Pool	\$5,009,382.13
Total	\$5,009,382.13

BAINBRIDGE ISLAND  FIRE DEPARTMENT

Kitsap County Fire District #2

MCAG No. 1163

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NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended December 31, 2011

NOTE 5 - LONG-TERM DEBT

The accompanying Schedule of Long-Term Debt provides a listing of the outstanding debt of the District and summarizes the District's debt transactions for the year 2011. The debt service requirements, including interest, are as follows:

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Other Debt</u>	<u>Total Debt</u>
2012	517,440		517,440
2013	531,748		531,748
2014	554,538		554,538
	\$ 1,603,726	\$	1,603,726

NOTE 6 - PENSION PLANS

Substantially all of the District's full-time employees participate in the Law Enforcement Officers' and Fire Fighters' Plan II administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the District's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be obtained at: Department of Retirement Systems, Communications Unit, PO Box 48380, Olympia, WA 98504-8380.

NOTE 7 - OTHER DISCLOSURES

In 2011 a lawsuit was brought against the Department for a personnel issue. This ongoing litigation is being addressed by the Department's insurance carrier. Damages sought are well below the Department's general liability coverage limit.

Bainbridge Island Fire Department

Schedule of Liabilities

For the year ended December 31, 2012

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2012	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance December 31, 2012
General Obligations								
	251.11	Bond	12/1/2014	1,555,000	0	495,000	59122	1,060,000
	259.11	Compensated Absences		973,324	205,876	0		1,179,200
		Total General Obligations:		2,528,324	205,876	495,000		2,239,200
		Total Liabilities:		2,528,324	205,876	495,000		2,239,200

Bainbridge Island Fire Department

Schedule of Liabilities

For the year ended December 31, 2011

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2011	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance December 31, 2011
General Obligations								
	251.11	Bond	12/1/2014	2,035,000	0	480,000	59122	1,555,000
	259.11	Compensated Absences		770,161	203,163	0		973,324
		Total General Obligations:		2,805,161	203,163	480,000		2,528,324
		Total Liabilities:		2,805,161	203,163	480,000		2,528,324



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

State Auditor
Chief of Staff
Director of Performance and State Audit
Director of Local Audit
Deputy Director of State Audit
Deputy Director of Local Audit
Deputy Director of Local Audit
Deputy Director of Quality Assurance
Deputy Director of Communications
Local Government Liaison
Public Records Officer
Main number
Toll-free Citizen Hotline

Troy Kelley
Doug Cochran
Chuck Pfeil, CPA
Kelly Collins, CPA
Jan M. Jutte, CPA, CGFM
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