Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements Audit Report

Multi Agency Communications Center

Grant County

For the period January 1, 2012 through December 31, 2013

Published November 17, 2014

Report No. 1012979

Washington State Auditor
Troy Kelley

November 17, 2014

Board of Directors
Multi Agency Communications Center
Moses Lake, Washington

Report on Financial Statements

Please find attached our report on the Multi Agency Communications Center's financial statements.

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

Sincerely,

Troy X. Kelley

TROY KELLEY

STATE AUDITOR

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Multi Agency Communications Center
Grant County
January 1, 2012 through December 31, 2013

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*

Multi Agency Communications Center
Grant County
January 1, 2012 through December 31, 2013

Board of Directors
Multi Agency Communications Center
Moses Lake, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Multi Agency Communications Center, Grant County, Washington, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated September 18, 2014.

We issued an unmodified opinion on the fair presentation of the Agency's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the Agency using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

Our consideration of internal control was for the limited purpose described 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 Agency's financial statements are free from material misstatement, we performed tests of the Agency'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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Troy X. Kelley

TROY KELLEY
STATE AUDITOR

September 18, 2014

Independent Auditor's Report on Financial Statements

Multi Agency Communications Center
Grant County
January 1, 2012 through December 31, 2013

Board of Directors
Multi Agency Communications Center
Moses Lake, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Multi Agency Communications Center, Grant County, Washington, for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, as listed on page 9.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 Agency'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 Agency'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 opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the Multi Agency Communications Center has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Multi Agency Communications Center, for the years ended December 31, 2013 and 2012, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the Agency used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Multi Agency Communications Center, as of December 31, 2013 and 2012, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2014 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

TROY KELLEY
STATE AUDITOR

September 18, 2014

Financial Section

Multi Agency Communications Center
Grant County
January 1, 2012 through December 31, 2013

FINANCIAL STATEMENTS

SUPPLEMENTARY AND OTHER INFORMATION

MCAG NO. 0694

Multi Agency Communications Center

STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		000
Beginning Cash and Investments		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	628,702
38800/58800	Prior Period Adjustments, net	0
Operating Revenues		
310	Taxes	0
320	Licenses & Permits	0
330	Intergovernmental Revenues	80,216
340	Charges for Goods and Services	2,776,535
350	Fines & Penalties	0
360	Miscellaneous Revenues	43,987
Total Operating Revenues:		2,900,738
Operating Expenditures		
520	Public Safety	2,645,650
598	Intergovernmental Payments	0
Total Operating Expenditures:		2,645,650
Net Operating Increase (Decrease):		255,088
Nonoperating Revenues		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	0
Total Nonoperating Revenues:		
Nonoperating Expenditures		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	373,501
597	Transfers-Out	0
Total Nonoperating Expenditures:		373,501
Increase (Decrease) in Cash and Investments		-118,413
Ending Cash and Investments		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	510,289

The accompanying notes are an integral part of this Statement.

MCAG NO. 0694

Multi Agency Communications Center

STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		000
Beginning Cash and Investments		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	855,188
38800/58800	Prior Period Adjustments, net	0
Operating Revenues		
310	Taxes	0
330	Intergovernmental Revenues	1,679,620
340	Charges for Goods and Services	740,260
350	Fines & Penalties	0
360	Miscellaneous Revenues	27,507
Total Operating Revenues:		2,447,387
Operating Expenditures		
510	General Government	0
520	Public Safety	2,496,041
598	Intergovernmental Payments	0
Total Operating Expenditures:		2,496,041
Net Operating Increase (Decrease):		-48,654
Nonoperating Revenues		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	0
Total Nonoperating Revenues:		
Nonoperating Expenditures		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	177,832
597	Transfers-Out	0
Total Nonoperating Expenditures:		177,832
Increase (Decrease) in Cash and Investments		-226,486
Ending Cash and Investments		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	628,702

The accompanying notes are an integral part of this Statement.

Multi Agency Communications Center
Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies

The Multi Agency Communications Center reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting S*ystem (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.

The Multi Agency Communications Center was incorporated in January 1995 and operates under the laws of the state of Washington applicable to an Interlocal Agency. The Multi Agency Communications Center is an Interlocal general purpose government that provides 9-1-1 Emergency Dispatch Communications Services for the first responder agencies of Grant County. The Multi Agency Communications Center uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the Multi Agency Communications Center 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 single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The Multi Agency Communications Center resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the Multi Agency Communications Center:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

B. Basis of Accounting

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, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the Multi Agency Communications Center also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous 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.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

The Multi Agency Communications Center adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
……. Department	$1,682,452.00	$1,647,168.62	$35,283.38

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Multi Agency Communications Center Board.

D. Cash

It is the Multi Agency Communications Center's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The Multi Agency Communications Center deposits and certificates of deposit are covered by the Washington Public Deposit Protection Commission.

F. Investments See Note 2, *Investments*.

G. Capital Assets

Capital assets are assets with an initial individual cost of more than $550 and an estimated useful life in excess of 3 years. The capital assets of the Multi Agency Communications Center are recorded as expenditures when purchased.

H. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation (after probationary period is met) or retirement.

Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees do receive partial payment for unused sick leave.

I. Risk Management

The Multi Agency Communications Center is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are $4 million per occurrence self insured layer, and $16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are $20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

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

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

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

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

Note 2 - Investments

The Multi Agency Communications Center's investments are either insured, registered or held by the Multi Agency Communications Center or its agent in the Multi Agency Communications Center's name.

Investments are presented at ___Cost_____.

Investments by type at December 31, 2013 are as follows:

	①	②	③
Type of Investment	MACC 911's **own** investments	Investments held by (MACC 911) as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	$	$	$
U.S. Government Securities			
Other:__________			
Grant County-General Pool	$385,289.28		$385,289.28
Total	$385,289.28	$	$385,289.28

Note 3 - Pension Plans

Substantially all the Multi Agency Communications Center's full-time and qualifying part-time employees participate in PERS 2 or 3 plans administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the Multi Agency Communications Center'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 Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 4 - Other Disclosures

Grant County issued 9.5 million dollars' worth of bonds on behalf of MACC in December 2010. The proceeds of the Bonds were used for the purpose of paying a portion of the costs of the electronics infrastructure and acquisition of public safety communications equipment for the Multi Agency Communications Center (MACC) and MACC facilities (the MACC projects) and paying the costs related to issuance of the bonds. The 1/10th of 1% sales tax is the pledge for repayment.

The year end balances held by the Grant County Treasurer were as follows:
MACC Bond Reserve= $751,195.63
MACC Radio System Bond= $0.0

The public works project titled "Public Safety Radio System Replacement" was finished 10/26/13 but as of 5/26/14 the 5% retainage has not been paid to TAIT North America Inc., due to Washington State Department of Labor and Industries not issuing a contract release.

Millie Tirapelle was MACC's Interim Director from March-July 2013. Jackie Jones became the permanent Director on July 17, 2013.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Multi Agency Communications Center reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting S*ystem (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.

The Multi Agency Communications Center was formed through an inter-local agreement in January of 1995 and operates under the laws of the State of Washington applicable to an Interlocal Agency. The Multi Agency Communications Center is an Interlocal general-purpose government agency and provides emergency dispatch communications services for the agencies of Grant County. The Multi Agency Communications Center uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

b. Basis of Accounting

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, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the Multi Agency Communications Center also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous 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.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets

The Multi Agency Communications Center adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Multi Agency Communications Center Board.

d. Cash

The Multi Agency Communications Center's policy is to invest all temporary cash surpluses. The amount is included on the statements of fund resources and uses arising from cash transactions as cash and investments.

e. Deposits

The Multi Agency Communications Center's deposits (and certificates of deposit) are covered by the Washington Public Deposit Protection Commission.

f. Investments-see note No. 3

g. Capital Assets

Capital assets are long-lived assets of the Multi Agency Communications Center and are recorded as expenditures when purchased.

h. Compensated Absences

Vacation pay may be accumulated up to 240 hours and is payable upon separation (after probationary period is completed) or retirement.

Sick leave may be accumulated up to 960 hours. Upon separation employees do receive payment for a portion of unused sick leave (after 10 years-25%) or retirement (50%), as outlined by union contract. The Multi Agency Communications Center estimated liability for sick leave termination benefits on December 31st, 2012 was $ $ 14,216.21.

i. Long-Term Debt-see note 4

j. Other Financing Sources or Uses-none

k. Risk Management

The Multi Agency Communications Center is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 153 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are $4 million per occurrence self-insured layer, and $16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are $20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

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

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

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

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

l. Reserved Fund Balances

The Multi Agency Communications Center has no Reserved Fund balances.

NOTE 2- PROPERTY TAXES

The Multi Agency Communications Center does not receive property tax.

NOTE 3 - INVESTMENTS

The Multi Agency Communications Center investments are either insured, registered or held by the Multi Agency Communications Center or its agent in the Multi Agency Communications Center's name.

Investments by type at December 31, 2012 are as follows.

Type of Investment	Multi Agency Communication Center's own Investments	Investments held by Multi Agency Communications Center as an agent for other local governments, individuals or private organizations	Total
County Pool-General Fund	$503,702	-0-	$503,702
County Pool-Reserve Fund	-0-	-0-	-0-

NOTE 4: LONG-TERM DEBT

As of December 31, 2012 the Multi Agency Communications Center had no debt.

NOTE 5 - INTERFUND LOANS AND ADVANCES - Not applicable.

NOTE 6 - LONG TERM DEBT

Grant County issued 9.5 million dollars' worth of bonds on behalf of MACC in December 2010. The proceeds of the Bonds will be used for the purpose of paying a portion of the costs of the electronics infrastructure and acquisition of public safety communications equipment for the Multi Agency Communication Center (MACC) and MACC facilities (the MACC projects) and paying the costs related to issuance of the bonds. The 1/10th of 1% sales tax is the pledge for repayment.

The year end balances held by the Grant County Treasurer were as follows:

MACC Bond Reserve= $747,270.00

MACC Radio System Bond= $2,811,965.51

NOTE 7 - PENSION PLANS

The Multi Agency Communications Centers full-time and qualifying part-time employees participate in PERS 1, 2 or 3 plan administered by the Washington Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the Multi Agency Communication Center's financial statements. Contributions to the systems by both the employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

OTHER DISCLOSURES

In January 2013 Director Allen resigned from the Multi Agency Communication Center after 15 years.

MCAG NO. 0694

Schedule 09

Multi Agency Communications Center

Schedule of Liabilities

For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	259.11	COMPENSATED ABSENCES		74,689	70,684	74,689	70,684
	263.51	LEASE AGREEMENT		11,604	0	3,481	8,123
			Total General Obligations:	**86,293**	**70,684**	**78,170**	**78,808**
			Total Liabilities:	**86,293**	**70,684**	**78,170**	**78,808**

The accompanying notes to the financial statements are an integral part of this schedule

MCAG NO. 0694

Schedule 09

Multi Agency Communications Center

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	Ending Balance December 31, 2012
General Obligations							
	259.11	Compensated Absences		65,055	74,688	65,055	74,688
	263.51	Copy Machine Lease		15,086	0	3,481	11,604
		Total General Obligations:		**80,140**	**74,688**	**68,536**	**86,293**
		Total Liabilities:		**80,140**	**74,688**	**68,536**	**86,293**

The accompanying notes to the financial statements are an integral part of this schedule

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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as fraud, state whistleblower and citizen hotline investigations.

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

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

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