



Washington State Auditor's Office

Government that works for citizens

Financial Statements Audit Report

RiverCom 911

Chelan County

For the period January 1, 2013 through December 31, 2015

Published November 17, 2016

Report No. 1017849





Washington State Auditor's Office

November 17, 2016

Board of Directors
RiverCom 911
Wenatchee, Washington

Report on Financial Statements

Please find attached our report on RiverCom 911's financial statements.

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

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

TABLE OF CONTENTS

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	4
Independent Auditor’s Report On Financial Statements	7
Financial Section.....	10
About The State Auditor’s Office.....	37

**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**

**RiverCom 911
Chelan County
January 1, 2013 through December 31, 2015**

Board of Directors
RiverCom 911
Wenatchee, 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 RiverCom 911, Chelan County, Washington, as of and for the years ended December 31, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated October 25, 2016.

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 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.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

October 25, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

RiverCom 911 Chelan County

January 1, 2013 through December 31, 2015

Board of Directors
RiverCom 911
Wenatchee, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of RiverCom 911, Chelan County, Washington, for the years ended December 31, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, as listed on page 10.

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, RiverCom 911 has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by 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 RiverCom 911, for the years ended December 31, 2015, 2014 and 2013, 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 RiverCom 911, as of December 31, 2015, 2014 and 2013, 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 October 25, 2016 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
OLYMPIA, WA

October 25, 2016

FINANCIAL SECTION

**RiverCom 911
Chelan County
January 1, 2013 through December 31, 2015**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2015
Fund Resources and Uses Arising from Cash Transactions – 2014
Fund Resources and Uses Arising from Cash Transactions – 2013
Notes to Financial Statements – 2015
Notes to Financial Statements – 2014
Notes to Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2015
Schedule of Liabilities – 2014
Schedule of Liabilities – 2013

RiverCom 911
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

Beginning Cash and Investments

30810	Reserved	5,035,501
30880	Unreserved	914,645
388 & 588	Prior Period Adjustments, Net	-

Operating Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	630,072
340	Charges for Goods and Services	6,265,679
350	Fines and Penalties	-
360	Miscellaneous Revenues	22,717
Total Operating Revenues:		6,918,468

Operating Expenditures

520	Public Safety	4,008,339
598	Miscellaneous Expenses	-
Total Operating Expenditures:		4,008,339
Net Operating Increase (Decrease):		2,910,129

Nonoperating Revenues

370-380, 395 & 398	Other Financing Sources	300
391-393	Debt Proceeds	-
397	Transfers-In	-
Total Nonoperating Revenues:		300

Nonoperating Expenditures

580, 596 & 599	Other Financing Uses	-
591-593	Debt Service	200,662
594-595	Capital Expenditures	1,729,605
597	Transfers-Out	-
Total Nonoperating Expenditures:		1,930,267

Net Increase (Decrease) in Cash and Investments: **980,162**

Ending Cash and Investments

5081000	Reserved	5,983,919
5088000	Unreserved	946,389
Total Ending Cash and Investments		6,930,308

The accompanying notes are an integral part of this statement.

RiverCom 911
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

Beginning Cash and Investments		
30810	Reserved	3,764,318
30880	Unreserved	644,368
388 & 588	Prior Period Adjustments, Net	-
Operating Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	288,776
340	Charges for Goods and Services	6,062,191
350	Fines and Penalties	-
360	Miscellaneous Revenues	19,088
Total Operating Revenues:		6,370,054
Operating Expenditures		
520	Public Safety	3,821,661
Total Operating Expenditures:		3,821,661
Net Operating Increase (Decrease):		2,548,393
Nonoperating Revenues		
370-380, 395 & 398	Other Financing Sources	-
391-393	Debt Proceeds	-
397	Transfers-In	-
Total Nonoperating Revenues:		-
Nonoperating Expenditures		
580, 596 & 599	Other Financing Uses	-
591-593	Debt Service	201,075
594-595	Capital Expenditures	805,858
597	Transfers-Out	-
Total Nonoperating Expenditures:		1,006,933
Net Increase (Decrease) in Cash and Investments:		1,541,461
Ending Cash and Investments		
5081000	Reserved	5,035,501
5088000	Unreserved	914,645
Total Ending Cash and Investments		5,950,146

The accompanying notes are an integral part of this statement.

RiverCom 911
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2013

Beginning Cash and Investments

30810	Reserved	2,298,959
30880	Unreserved	764,485
388 & 588	Prior Period Adjustments, Net	-

Operating Revenues

310	Taxes	-
320	Licenses & Permits	-
330	Intergovernmental Revenues	333,910
340	Charges for Goods and Services	5,630,955
350	Fines & Penalties	-
360	Miscellaneous Revenues	22,016
Total Operating Revenues:		5,986,880

Operating Expenditures

520	Public Safety	3,669,877
598	Miscellaneous Expenses	-
Total Operating Expenditures:		3,669,877
Net Operating Increase (Decrease):		2,317,003

Nonoperating Revenues

370-380, 395 & 398	Other Financing Sources	-
391-393	Debt Proceeds	-
397	Transfers-In	-
Total Nonoperating Revenues:		-

Nonoperating Expenditures

580, 596 & 599	Other Financing Uses	-
591-593	Debt Service	200,972
594-595	Capital Expenditures	770,788
597	Transfers-Out	-
Total Nonoperating Expenditures:		971,760

Net Increase (Decrease) in Cash and Investments: **1,345,243**

Ending Cash and Investments

5081000	Reserved	3,764,318
5088000	Unreserved	644,368
Total Ending Cash and Investments		4,408,686

The accompanying notes are an integral part of this statement.

RiverCom 911

Notes to Financial Statements For Fiscal Year Ending December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In early 2002, elected officials and representatives from public safety organizations in Chelan and Douglas counties held a series of meetings to explore the feasibility of consolidating the area's four 911 centers into one organization.

After considerable discussion, the group determined that there would be three primary benefits to consolidation:

1. The processing and dispatching of emergency calls for assistance from the public would be more efficient and timely.
2. The coordination of responses when more than one public safety agency was involved in an incident would be significantly improved.
3. Taxpayer funds for facilities, technical systems and personnel costs would be used more effectively.

Four jurisdictions; Chelan County, Douglas County, East Wenatchee and Wenatchee, each contributed funds to move the project forward and to hire a consulting company to estimate costs, examine technical system needs and to assist with forming the organization.

RiverCom was incorporated in October of 2002, under the authority granted under Title 39 of the Revised Code of Washington (RCW), the four jurisdictions noted above created RiverCom as an independent municipal corporation.

RiverCom 911 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. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- All funds are presented, rather than a focus on major funds.
- The Schedule of Liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classification defined in GAAP.

1. Reporting Entity

RiverCom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

The following is a summary of the significant policies, including identification of those policies which result in material departures from generally accepted accounting principles (GAAP).

2. 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 when paid, including those properly chargeable against the report year budget appropriations as required by state law.

In accordance with state law RiverCom 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.

3. Budget

The RiverCom Board adopts an annual budget. The Director must request approval from the Administrative Board to transfer budget amounts between object classes. In addition, any revisions that alter the total expenditures, or that affect the number of authorized positions, salary ranges, or other conditions of employment must also be approved by the RiverCom Administrative Board.

The appropriated and actual expenditures for the legally adopted 2015 budget were as follows:

Final Appropriated Amount	Actual Expenditures	Variance
\$7,525,666	\$5,938,606	\$1,587,060

4. Cash

It is RiverCom's policy to invest all temporary cash surpluses. At December 31, 2015, the treasurer was holding \$6,306,374 in short-term residual investments of surplus cash. The amount is included on the statement of fund resources and uses arising from cash transactions as net cash and investments.

5. Investments See Note 2

6. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. Vacation pay, which may be accumulated up to 200 hours, is payable upon resignation, retirement or death. Sick leave may accumulate up to 960 hours, and Guild members are paid at 25% upon resignation, retirement or death.

7. Debt Service Requirements See Note 5

8. Capital Assets

Capital Assets are assets with an initial cost of more than \$2,500 that are not consumed within one year. Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid.

9. Risk Management See Note 4

10. Reserved Fund Balance

Rivercom had \$5,983,919 in reserves at the end of 2015 consisting of: a voted communication tax balance of \$5,134,323, a board designated capital reserve of \$329,865, a board designated operating equipment reserve of \$366,201, and a state mandated reserve for E911/NG911 of 153,530.

NOTE 2 – DEPOSITS AND INVESTMENTS

It is Rivercom's policy to invest all temporary cash surpluses. The Douglas County Treasurer acts as the Treasurer for RiverCom. RiverCom's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

RiverCom's investments are insured, registered or held by RiverCom or its agent in RiverCom's name.

Investments are presented at cost.

Investment balances by type at December 31, are as follows:

<u>Type of Investment</u>	<u>2015 Balance</u>
L.G.I.P.	\$6,306,374

The Local Government Investment Pool (LGIP) is an un-rated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are all classified as category 1 risk level investments. They are either insured or held by a third-party custody provider in the LGIP's name.

NOTE 3 – PENSION PLANS

Substantially all RiverCom full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CARF) that includes financial statements and required supplementary information for each plan. A copy of this report may be obtained at:

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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2015, Rivercom's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation Percentage	Liability (Asset)
PERS 1	0.018338%	959,248
PERS 2 and 3	0.023686%	846,314

NOTE 4 – RISK MANAGEMENT

RiverCom is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2015, 102 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Starr Indemnity & Liability Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2015, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

Rivercom is also member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2015, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical insurance through Group Health, Regence BlueShield and Asuris Northwest Health, dental insurance through Delta Dental of Washington, and vision insurance through Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. The AWC Trust HCP purchases stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW.

The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor’s office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board (“GASB”). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor’s office.

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of RiverCom and summarizes the district’s debt transactions for year ended December 31, 2015.

RiverCom issued a general obligation bond to finance the construction and capital requirements of RiverCom. The interest rate on this bond is from 2% to 4.9% with installments ranging from \$100,000 to \$190,000. The annual debt service requirement to maturity for the bond, for the year ending 2015 is as follows

Year Ending December 31	Principal	Interest	Total
2016	145,000	54,288	199,288
2017	150,000	47,980	197,980
2018	160,000	41,305	201,305
2019	165,000	34,025	199,025
2020	175,000	26,352	201,352
2021-2022	370,000	27,350	397,350
Total	1,165,000	231,300	1,396,300

NOTE 6 – COMPLIANCE AND ACCOUNTABILITY

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

There have been no expenditures exceeding legal appropriations.

RiverCom participates in a number of state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, will be immaterial.

RiverCom 911

Notes to Financial Statements For Fiscal Year Ending December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RiverCom 911 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.

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- All funds are presented, rather than a focus on major funds.
- The Schedule of Liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classification defined in GAAP.

In early 2002, elected officials and representatives from public safety organizations in Chelan and Douglas counties held a series of meetings to explore the feasibility of consolidating the area's four 911 centers into one organization.

After considerable discussion, the group determined that there would be three primary benefits to consolidation:

1. The processing and dispatching of emergency calls for assistance from the public would be more efficient and timely.
2. The coordination of responses when more than one public safety agency was involved in an incident would be significantly improved.
3. Taxpayer funds for facilities, technical systems and personnel costs would be used more effectively.

Four jurisdictions; Chelan County, Douglas County, East Wenatchee and Wenatchee, each contributed funds to move the project forward and to hire a consulting company to estimate costs, examine technical system needs and to assist with forming the organization.

RiverCom was incorporated in October of 2002, under the authority granted under Title 39 of the Revised Code of Washington (RCW), the four jurisdictions noted above created RiverCom as an independent municipal corporation.

1. Reporting Entity

RiverCom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

The following is a summary of the significant policies, including identification of those policies which result in material departures from generally accepted accounting principles (GAAP).

2. 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 when paid, including those properly chargeable against the report year budget appropriations as required by state law.

In accordance with state law RiverCom 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.

3. Budget

The RiverCom Board adopts an annual budget. The Director must request approval from the Administrative Board to transfer budget amounts between object classes. In addition, any revisions that alter the total expenditures, or that affect the number of authorized positions, salary ranges, or other conditions of employment must also be approved by the RiverCom Administrative Board.

The appropriated and actual expenditures for the legally adopted 2014 budget were as follows:

Final Appropriated Amount	Actual Expenditures	Variance
\$6,746,754	\$4,828,594	\$1,918,160

4. Cash

It is RiverCom's policy to invest all temporary cash surpluses. At December 31, 2014, the treasurer was holding \$5,339,380 in short-term residual investments of surplus cash. The amount is included on the statement of fund resources and uses arising from cash transactions as net cash and investments.

5. Investments See Note 2

6. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. Vacation pay, which may be accumulated up to 200 hours, is payable upon resignation, retirement or death. Sick leave may accumulate up to 960 hours, and Guild members are paid at 25% upon resignation, retirement or death.

7. Debt Service Requirements See Note 5

8. Capital Assets

Capital Assets are assets with an initial cost of more than \$2,500 that are not consumed within one year. Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid.

9. Risk Management See Note 4

10. Reserved Fund Balance

Rivercom had \$5,035,501 in reserves at the end of 2014 consisting of: a voted communication tax balance of \$4,196,741, a board designated capital reserve of \$372,233, a board designated operating equipment reserve of \$313,218, and a state mandated reserve for E911/NG911 of 153,309.

NOTE 2 – DEPOSITS AND INVESTMENTS

It is Rivercom's policy to invest all temporary cash surpluses. The Douglas County Treasurer acts as the Treasurer for RiverCom. RiverCom's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

RiverCom's investments are insured, registered or held by RiverCom or its agent in RiverCom's name.

Investments are presented at cost.

Investment balances by type at December 31, are as follows:

<u>Type of Investment</u>	<u>2014 Balance</u>
L.G.I.P.	\$5,339,380

The Local Government Investment Pool (LGIP) is an un-rated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are all classified as category 1 risk level investments. They are either insured or held by a third-party custody provider in the LGIP's name.

NOTE 3 – PENSION PLANS

Substantially all RiverCom full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS) 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 RiverComs financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2014 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 4 – RISK MANAGEMENT

RiverCom is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal

Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2014, 94 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Starr Indemnity & Liability Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2014, AWC RMSA carried a retention of \$50,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of RiverCom and summarizes the district's debt transactions for year ended December 31, 2014.

RiverCom issued a general obligation bond to finance the construction and capital requirements of RiverCom. The interest rate on this bond is from 2% to 4.9% with

installments ranging from \$100,000 to \$190,000. The annual debt service requirement to maturity for the bond, for the year ending 2014 is as follows:

Year Ending December 31	Principal	Interest	Total
2015	140,000	60,237	200,237
2016	145,000	54,288	199,288
2017	150,000	47,980	197,980
2018	160,000	41,305	201,305
2019	165,000	34,025	199,025
2020-2022	545,000	53,702	598,702
Total	1,305,000	291,537	1,596,537

NOTE 6 – COMPLIANCE AND ACCOUNTABILITY

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

There have been no expenditures exceeding legal appropriations.

RiverCom participates in a number of state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, will be immaterial.

RiverCom 911

Notes to Financial Statements For Fiscal Year Ending December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RiverCom 911 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.

In early 2002, elected officials and representatives from public safety organizations in Chelan and Douglas counties held a series of meetings to explore the feasibility of consolidating the area's four 911 centers into one organization.

After considerable discussion, the group determined that there would be three primary benefits to consolidation:

1. The processing and dispatching of emergency calls for assistance from the public would be more efficient and timely.
2. The coordination of responses when more than one public safety agency was involved in an incident would be significantly improved.
3. Taxpayer funds for facilities, technical systems and personnel costs would be used more effectively.

Four jurisdictions; Chelan County, Douglas County, East Wenatchee and Wenatchee, each contributed funds to move the project forward and to hire a consulting company to estimate costs, examine technical system needs and to assist with forming the organization.

RiverCom was incorporated in October of 2002, under the authority granted under Title 39 of the Revised Code of Washington (RCW), the four jurisdictions noted above created RiverCom as an independent municipal corporation.

1. Reporting Entity

RiverCom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

The following is a summary of the significant policies, including identification of those policies which result in material departures from generally accepted accounting principles (GAAP).

2. 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 when paid, including those properly chargeable against the report year budget appropriations as required by state law.

In accordance with state law RiverCom 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.

3. Budget

The RiverCom Board adopts an annual budget. The Director must request approval from the Administrative Board to transfer budget amounts between object classes. In addition, any revisions that alter the total expenditures, or that affect the number of authorized positions, salary ranges, or other conditions of employment must also be approved by the RiverCom Administrative Board.

The appropriated and actual expenditures for the legally adopted 2013 budget were as follows:

Final Appropriated Amount	Actual Expenditures	Variance
\$6,512,441	\$4,641,637	\$1,870,804

4. Cash

It is RiverCom's policy to invest all temporary cash surpluses. At December 31, 2013, the treasurer was holding \$4,204,464 in short-term residual investments of surplus cash. The amount is included on the statement of fund resources and uses arising from cash transactions as net cash and investments.

5. Investments See Note 2

6. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. Vacation pay, which may be accumulated up to 200 hours, is payable upon resignation, retirement or death. Sick leave may accumulate up to 960 hours, and Guild members are paid at 25% upon resignation, retirement or death.

7. Debt Service Requirements See Note 5

8. Capital Assets

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid.

9. Risk Management See Note 4

10. Reserved Fund Balance

Rivercom had \$3,764,318 in reserves at the end of 2013 consisting of: a voted communication tax balance of \$2,757,067, a board designated capital reserve of \$530,150, a board designated operating equipment reserve of \$277,101, and a board designated reserve of \$200,000.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Douglas County Treasurer acts as the Treasurer for RiverCom. RiverCom’s deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

RiverCom’s investments are insured, registered or held by RiverCom or its agent in RiverCom’s name.

Investments are presented at cost.

Investment balances by type at December 31, are as follows:

<u>Type of Investment</u>	<u>2013 Balance</u>
L.G.I.P.	\$4,204,464

The Local Government Investment Pool (LGIP) is an un-rated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are all classified as category 1 risk level investments. They are either insured or held by a third-party custody provider in the LGIP's name.

NOTE 3 – PENSION PLANS

Substantially all RiverCom full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS) 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 RiverComs financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2013 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 4 – RISK MANAGEMENT

RiverCom is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2013, 91 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property reinsurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA pays out of its own funds all claims up to its Self-Insured Retention (SIR) of \$250,000 and, thereafter, purchases liability re-insurance through Berkley Public Entity of \$750,000. For the additional \$9 million in coverage limits, an excess liability policy is purchased from CV Starr. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. AWC RMSA has a retention of \$50,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of RiverCom and summarizes the district's debt transactions for year ended December 31, 2013.

RiverCom issued a general obligation bond to finance the construction and capital requirements of RiverCom. The interest rate on this bond is from 2% to 4.9% with installments ranging from \$100,000 to \$190,000. The annual debt service requirement to maturity for the bond, for the year ending 2013 is as follows:

Year Ending December 31	Principal	Interest	Total
2014	135,000	65,773	200,773
2015	140,000	60,237	200,237
2016	145,000	54,288	199,288
2017	150,000	47,980	197,980
2018	160,000	41,305	201,305
2019-2022	710,000	87,727	797,727
Total	1,440,000	357,310	1,797,310

NOTE 6 – COMPLIANCE AND ACCOUNTABILITY

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

There have been no expenditures exceeding legal appropriations.

RiverCom participates in a number of state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, will be immaterial.

RiverCom 911
Schedule of Liabilities
For the Year Ended December 31, 2015

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LGO BOND	12/31/2022	1,305,000	-	140,000	1,165,000
	Total General Obligation Debt/Liabilities:		1,305,000	-	140,000	1,165,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	COMPENSATED ABSENCES		192,933	344,468	313,384	224,017
264.30	NET PENSION LIABILITY		-	1,805,562	-	1,805,562
	Total Revenue and Other (non G.O.) Debt/Liabilities:		192,933	2,150,030	313,384	2,029,579
	Total Liabilities:		1,497,933	2,150,030	453,384	3,194,579

RiverCom 911
Schedule of Liabilities
For the Year Ended December 31, 2014

<u>ID. No.</u>	<u>Description</u>	<u>Due Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
251.11	LGO BOND	12/31/2022	1,440,000	-	135,000	1,305,000
259.11	COMPENSATED ABSENCES		165,434	319,173	291,674	192,933
Total General Obligation Debt/Liabilities:			1,605,434	319,173	426,674	1,497,933
Total Liabilities:			1,605,434	319,173	426,674	1,497,933

RiverCom 911
Schedule of Liabilities
For the Year Ended December 31, 2013

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LGO BOND	12/31/2022	1,570,000	-	130,000	1,440,000
259.11	COMPENSATED ABSENCES		166,176	302,543	303,285	165,434
Total General Obligation Debt/Liabilities:			1,736,176	302,543	433,285	1,605,434
Total Liabilities:			1,736,176	302,543	433,285	1,605,434

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.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov