

KITTITAS VALLEY FIRE & RESCUE

BUDGET 2014



KITTITAS VALLEY FIRE & RESCUE

Station 21 at 2020 Vantage Hwy
Station 29 at 102 N. Pearl Street
Ellensburg, WA 98926
(509) 933-7232

BOARD OF FIRE COMMISSIONERS

Patrick H. Clerf, Board Chairman – Term Expires 12-31-17
R. John Smith, Board Vice Chairman – Term Expires 12-31-19
Glenn Huffman – Term Expires 12-31-15
Neil O’Neill – Term Expires 12-31-15
Neal Houser – Term Expires 12-31-17

KITTITAS VALLEY FIRE & RESCUE ADMINISTRATIVE STAFF

John Sinclair, Fire Chief
Rich Elliott, Deputy Chief
Amber Simon, Financial Services Manager / District Secretary
Shannon Hill, Human Resources Administrator
Alice DeWitt, EMS Billing / Patient Accounts
Manda Beckett, Administrative Assistant



DISTRICT PROFILE

In 2005, the Kittitas County Fire District No. 2 Board of Commissioners and the Ellensburg City Council authorized a Citizens Advisory Committee to explore the option of merging the City of Ellensburg Fire Department into Kittitas County Fire District No. 2. Citing the benefits of eliminating duplication of services and the ability to provide the communities involved with a more effective utilization of equipment and staff, the Committee recommended in their report that the two departments should merge to provide more effective emergency response services. The proposal was put on a ballot for the public to consider and, in 2006, voters approved the annexation of the City of Ellensburg Fire Department into Kittitas County Fire District No. 2. The combined entity operates as Kittitas Valley Fire & Rescue (KVFR) and became operational on January 1, 2007. KVFR completed the blending of two very active fire jurisdictions with both agencies having had a long and cooperative history in the lower Kittitas Valley.

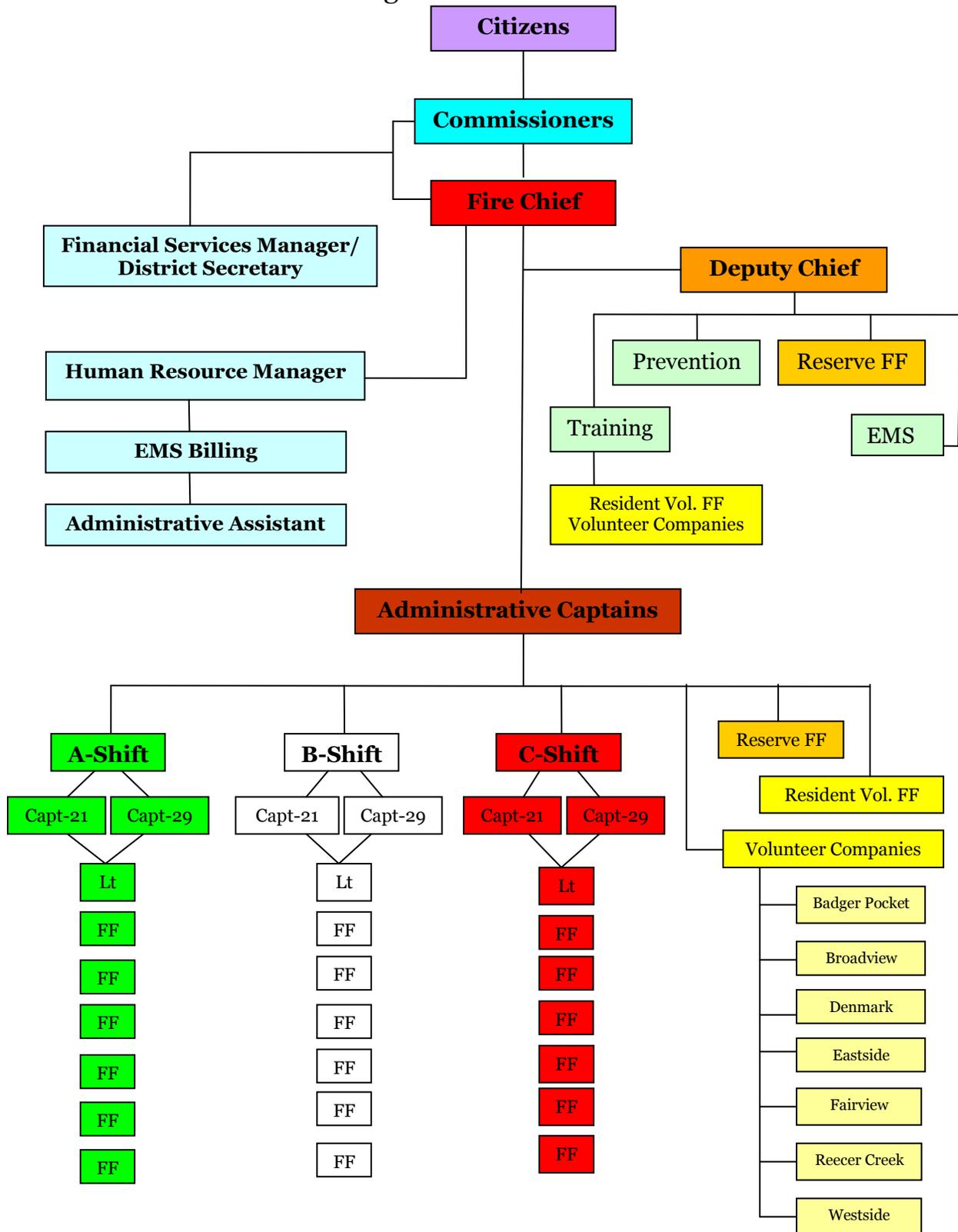
KVFR provides fire suppression, technical rescue, advanced life support (ALS) and basic life support (BLS) response and ambulance transport (including inter-facility transport), fire prevention, code enforcement, hazardous material response and fire investigation, KVFR serves a population of about 28,500, with a student population of approximately 9,500 when Central Washington University is in session. The service area is 278 square miles for fire suppression and 1,200 square miles for Emergency Medical Service (Paramedic Ambulance) coverage. The area covered is a mixture of micro-urban, suburban, rural, and wild land interface. The District is staffed and equipped for response to structure and wildland fires, rescues, motor vehicle crashes, and medical emergencies. The District shares boundaries and responds with mutual aid to US Forest Service (USFS), Department of Natural Resources (DNR), Bureau of Land Management (BLM), the Yakima Firing Center (a Department of Defense Facility) as well as City of Kittitas and Kittitas County Fire District #1. KVFR also provides services, under a fire protection contract, to the Central Washington University (CWU) campus.

KVFR is an active partner with the CWU Dorothy Purser Paramedic Program in providing paramedic students the opportunity to ride along with the ambulance units. They are afforded first-hand experience to medical and trauma incidents allowing them the opportunity to observe and assist with patient care. KVFR staff and firefighters, which include career, reserve, resident and community volunteers, look forward to providing professional and effective service to the community as it grows.

KVFR is a combination Department consisting of twenty-seven career firefighters split into three different shifts, approximately seventy volunteer firefighters, twelve reserve firefighters, and six resident firefighters. There are five Fire Commissioners, a Fire Chief, Deputy Fire Chief, Prevention Captain, Training Captain, Mechanic and four office support staff. The District has two fire stations that are staffed by career personnel twenty-four hours a day. There are also nine volunteer stations throughout the District.

Kittitas Valley Fire & Rescue

Organizational Chart



BUDGET OVERVIEW

FACTORS CONSIDERED IN THE 2014 ANNUAL BUDGET

- Our community is beginning to rebound from the “Great Recession” which started in 2008. Housing starts within the City of Ellensburg and some commercial building within the District is modest. Locally, growth through 2015 is expected to be 1.5-2.0%. The Department of Ecology’s stance regarding groundwater issues continues to stymie growth outside the City. Once the “water banks” are completely understood and the litigation is complete, slow growth should return. However, it is doubtful that the area will ever return to the levels seen in 2000-2006.
- The National and Washington State Economies are exhibiting slow growth. However, there are existential threats to the economy which include Congress not acting on the debt ceiling, the mounting national debt, and the Chinese economy slowing down.
- The World’s reserve currency is the U.S. Dollar. So long as the USA can continue to “monetize the debt” and Congress approves surpassing the debt ceiling, the country will remain solvent. However, several countries are shifting to Chinese currency as a reserve currency. If that trend continues, the U.S. Dollar could destabilize and devalue, sending interest rates soaring into the mid-1980’s figures and above.
- The Federal Reserve has stated that they intend to keep interest rates low through at least 2015. They have tied interest rates to unemployment rates and have stated they will keep interest rates low until the unemployment rate is below 6.5%.
- Nationwide unemployment is sited at 7.3% with the real figure at about 13.6%. The real figure represents people who are still unemployed and are no longer looking for work as well as the underemployed whose full-time hours have been cut. Kittitas County’s unemployment rate for July 2013 was 7.8% as compared to 7.5% in September 2012, 7.9% in September 2011, and 8.3% in September 2010.
- Other economic indicators in Kittitas County include:
 - City of Ellensburg is planning to begin hiring some frozen and unfilled positions in 2014.
 - CWU is seeing near-record attendance for a freshman class.
- As of this writing the District has not received word from the Kittitas County Assessor’s Office regarding new construction figures or the District’s Assessed Value for 2014.
- The Patient Protection and Affordable Care Act is being implemented. The law and enactment schedule are changing frequently, thus it is difficult to fully understand the impacts that the Act will have on the District. Changes will occur, but the timing of those changes and the full impacts remain unclear as the political landscape is shifting.
- Interest rates on fund investments through the Kittitas County Investment Pool have decreased over the last several years. The average annual investment interest rates went from 5.0853% in 2007 to 0.1465% in 2013.
- The 2014 contractual wages increased by 1.4% over 2013 wages.
- Costs for the medical/dental insurance plan offered to the District’s full-time employees will not increase and there will be a one-month premium holiday in 2014.

FUNDS

General Fund 010: The District's general operating expenses and payroll are expended from this fund. The main revenue source for this fund is property tax.

EMS Fund 011: This fund reflects operating expenses, payroll expenses, and revenues associated with the ALS ambulance transport operation. The main revenue source for this fund is ambulance user fees.

Construction Fund 020: Expenses associated with construction of new building facilities or major improvements to existing facilities as authorized by the Board of Fire Commissioners are expended from this fund. Funding sources can be from any of the following: grants, voted or non-voted general obligation proceeds, or supplementation from the General Fund.

Reserve Fund 040: This fund is held in reserve for expenses incurred when the District responds to emergency situations such as a natural or man-made disaster. Additionally, prudent fiscal management and uncertain economic conditions warrant setting aside funding for "rainy day" circumstances. This fund has no revenue source other than utilizing the inter-fund transfer accounting method from the General Fund.

Equipment Replacement Fund 041: Replacement of an assortment of items as approved by the Board of Fire Commissioners is expended from this fund. The sole funding source for this fund occurs through inter-fund transfers from the General Fund.

Long Term Care Fund 060: The Long Term Care (LTC) Fund was established to meet the District's long term care obligations to retired LEOFF I personnel as mandated by Washington State law. Annual resolutions created by the Board of Fire Commissioners designate the amount of money to be transferred from the General Fund into the LTC Fund. Additionally, funding for long term care insurance policies is expended through the General Fund. The LTC Fund provides funding for medical expenses incurred that are not covered by the policies. When all LEOFF I obligations are no longer pending, any fund balance remaining will be transferred to the General Fund and the LTC Fund will be closed.

DIVISIONS

Fire Commissioners: The Board of Fire Commissioners is the oversight body of the District and has the responsibility to manage and conduct the business affairs of the fire district, to make and execute all necessary contracts, to employ any necessary services, to adopt reasonable rules to govern the district and to perform its functions, and generally to perform all such acts as may be necessary to carry out the objectives of the District. Commissioners are elected to six-year terms and represent the citizens of the District in at-large positions. Prior to 2008, Kittitas Valley Fire & Rescue had three commissioners. With voter approval on August 21, 2007, the Board of Fire Commissioners increased from three to five positions.

Administration: The Administrative Division consists of the Fire Chief, Deputy Chief, Financial Services Manager/District Secretary, Human Resources Manager, and an Administrative Assistant. This division is dedicated to managing the organization, planning and organizing the agency, developing and implementing sound financial and human resources practices, providing public information, and to provide the highest quality of leadership, direction, and support to all divisions within Kittitas Valley Fire & Rescue.

Fire Suppression: The main function of the Suppression Division is to respond to 911 calls. Staff accomplishes their mission by insuring equipment readiness, performing pre-fire planning, insuring their physical fitness, and practicing personal safety techniques at all times. Fire Suppression personnel must constantly train using the latest strategies and techniques to perform complex rescues, to suppress a working fire, and to handle emergencies resulting from natural or man-made disasters. Firefighters must stay abreast of the latest technology, procedures, and techniques for different types of rescues. They also must be aware of how a fire reacts to certain conditions and determine risks due to hazardous material release while remaining aware of the circumstances to safeguard their own personal safety at all times.

In addition to the eighteen career firefighters assigned to the Suppression Division, there are typically 65-80 volunteer firefighter positions assigned to six volunteer companies operating out of nine volunteer fire stations. Additional supplementation is provided by 12 part-time reserve firefighters and six Resident Volunteer Firefighters.

The District's mechanic is also assigned to the Suppression Division of the budget.

Prevention & Investigation: The Prevention and Investigation Division is responsible for providing comprehensive fire prevention services. These services include public education, fire investigation, fire inspection and development services. The Prevention Captain, as contractual Fire Marshal for the City of Ellensburg, is responsible for determining the cause and origin of each fire within the City of Ellensburg. Additionally, the Prevention and Investigation Division works cooperatively with Kittitas County Code Enforcement personnel as needed. As part of the District's effort to improve life safety, KVFR conducts a fire and life safety inspection in each publicly accessible portion of all commercial buildings and in all places of employment. These inspections serve to reduce fire hazards, educate the community, familiarize responders with the buildings and also help to reduce insurance rates. All members participate in the inspection program which is overseen by the Prevention Captain.

Training: The Training Division is responsible for coordinating and scheduling all department training. All suppression personnel must receive initial training and these skills must be continuously maintained. Newly hired full time firefighters will be sent to the Washington State Fire Academy for the 16 week Firefighter I certification course. The maintenance of firefighter skills is achieved through in-service training. In-service training is accomplished through several methods: outside instructors, company level training, written tests and in-house academies. Training requirements must be accomplished in compliance with Washington Administrative Code (WAC), Revised Code of Washington (RCWs), and National Fire Protection Administration (NFPA)

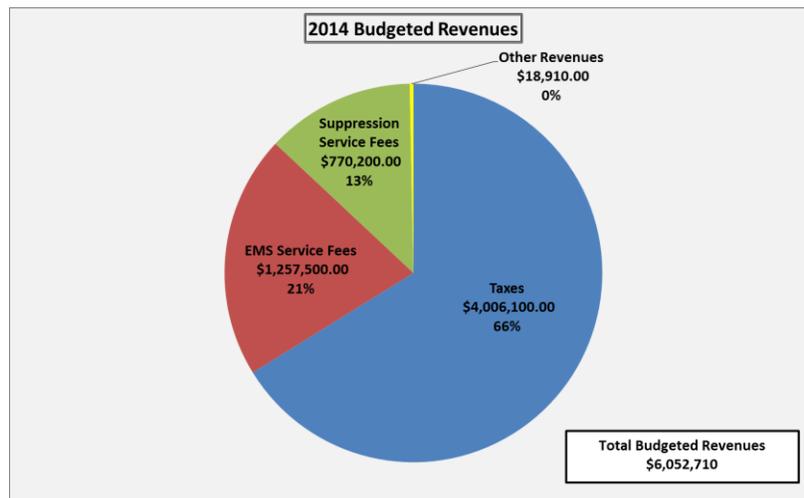
guidelines. As these standards change, KVFR training must be continually updated to remain compliant. All training must be recorded and these records receive frequent evaluation for compliance.

EMS: The Emergency Medical Services (EMS) Division is responsible for providing emergency medical care to the citizens. The division provides both advanced life support (ALS) and basic medical life support (BLS). Emergency Medical Technicians (EMTs) and Paramedics provide immediate medical assessment, evaluation, and treatment. They transport patients to Kittitas Valley Community Hospital or out-of-area facilities for continued treatment as needed. The District must provide highly trained, skilled personnel and adequate vehicles and equipment to accomplish the division's mission. Emergency medical vehicles and equipment must be maintained and upgraded to meet the ever-changing technologies of medical science. Vehicles must not only be equipped for the safety of the District's patients and personnel, but must also be equipped with a wide array of medical equipment such as defibrillators, cardiac monitors, oxygen, and many other instruments needed for the successful treatment of the critically ill and traumatized patient. EMS transport billing and patient account service are provided in-house by the EMS Billing position.

There are nine EMTs and Paramedics assigned to the EMS Division in the budget. In addition, the Administrative Assistant in charge of EMS billing and patient accounts is assigned to this division.

REVENUES

The 2014 budgeted revenue totals \$6,052,710 with the largest three sources of income being property taxes, EMS service fees, and fire suppression service fees.



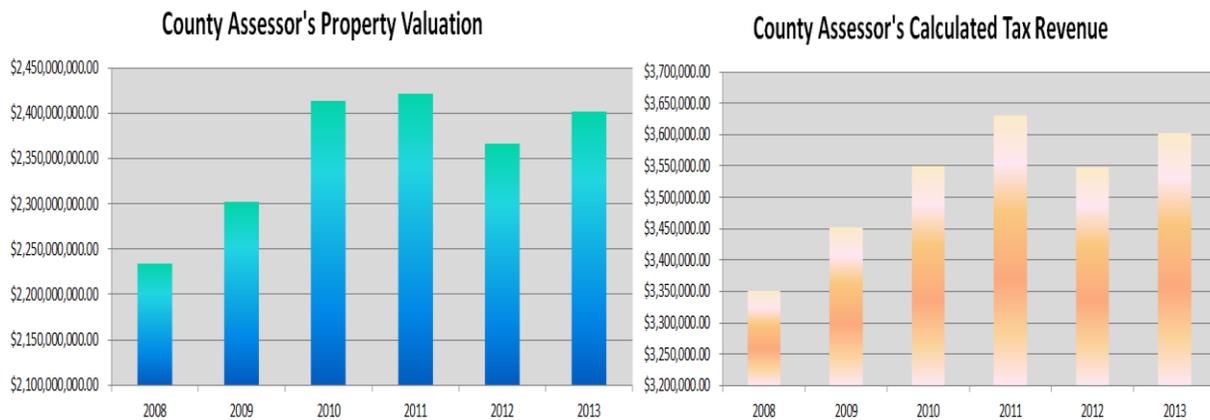
Property Taxes

The property tax revenue is calculated by the Kittitas County Assessor based on the valuation of property within the fire district. For 2013, the total property value was listed at \$2,402,006,430 and the fire tax levy rate was \$1.50. This means that each resident must pay \$1.50 for each \$1,000 worth of value on their property, so the calculated

property tax revenue was \$3,603,009.65. At the time of this writing, the figures for 2014 were unavailable. Staff and Commissioner budgeted for \$4,000,000 in property taxes for 2014.

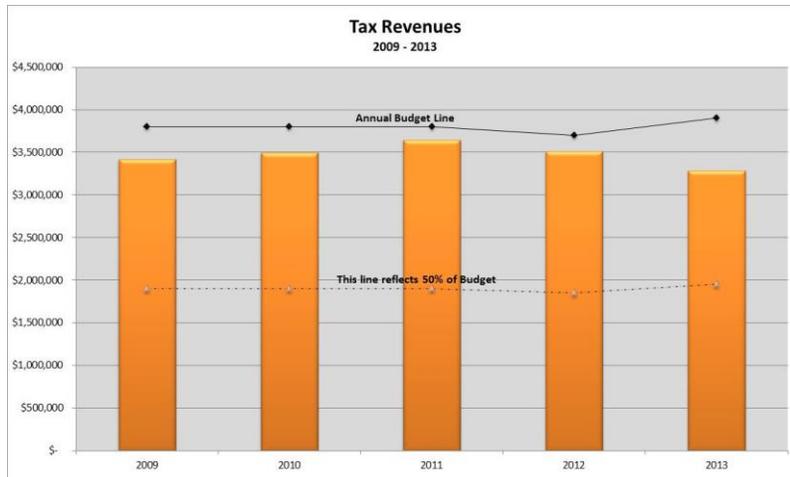
The following table illustrates the past twelve years' levy rates for the District as well as the assessed valuation and taxes due.

Assessed Valuation	Year	Levy Rate	Tax Due
\$587,437,103	2002	1.4534	\$853,781.09
\$623,017,007	2003	1.4455	\$900,571.08
\$645,088,452	2004	1.4643	\$944,603.02
\$675,740,225	2005	1.4718	\$994,554.46
\$778,597,115	2006	1.3594	\$1,058,501.22
\$893,913,190	2007	1.2670	\$1,132,420.26
\$2,234,397,036	2008	1.5000 (lid lift)	\$3,351,595.55
\$2,301,620,258	2009	1.5000	\$3,452,430.39
\$2,413,003,803	2010	1.471187	\$3,549,979.82
\$2,421,184,837	2011	1.499338	\$3,630,177.76
\$2,365,891,009	2012	1.5000	\$3,548,836.51
\$2,402,006,430	2013	1.5000	\$3,603,009.65

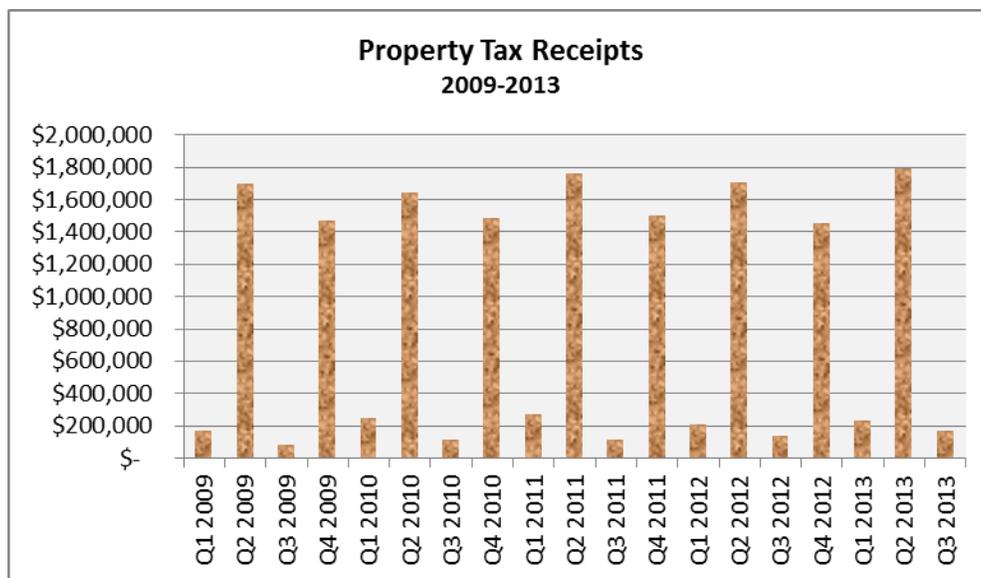


There is historically a difference between the County Assessor's final calculated amount of taxes and KVFR's budgeted amount. There are three reasons for this difference:

- The County Assessor has not finalized the valuations by the time KVFR must approve the annual budget, so staff must make an estimate on the amount of taxes to be received.
- The District's Board of Commissioners and management team intentionally overestimate the taxes so that a banked capacity situation can be avoided. A fire district may not collect more in taxes than they have budgeted for so any "extra" taxes received by the county but not passed through to the district are considered banked capacity.
- The budget also considers prior year back taxes that may be collected during the budget year. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.



The county's residents are expected to pay half of their property taxes by April 30th each year with the second half of the taxes due on October 31st. This creates a cyclical source of revenue for KVFR. Because of the cyclical nature of the property tax receipts, KVFR's Commissioners and management team must make sure that the General Fund balance is adequately maintained to cover several months of payroll and other operating expenses until the next influx of property tax revenue is received. The following graph demonstrates the cyclical nature of tax revenue during the 2nd and 4th quarters each year (April and October, respectively).

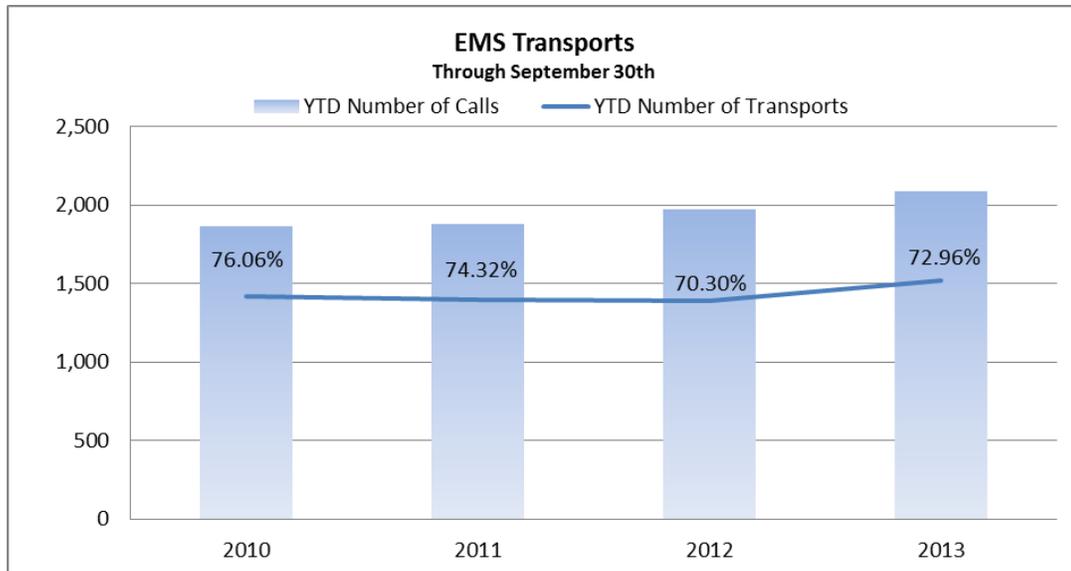


Ambulance Revenue

KVFR provides ambulance transport services in emergency situations as well as handling the transfer of patients from one medical facility to another. KVFR provides emergency medical services (EMS) in 1,240 square miles of Kittitas County. The patients are charged fees based upon the level of service they receive, the length of their transport, and their residency status. The fee structure is set up to cover the costs

of providing the services. For this reason, KVFR has chosen not to propose the implementation of an EMS levy.

Statistics for the past four years show an increase in the number of calls, but a decreased rate of patients transported.



In addition, in 2012 KVFR saw a spike in calls involving illegal drug use and underage drinking that did not result in the transport of a patient. The agency faced the challenge of paying for the expense of those calls while not receiving matching revenue. For this reason, KVFR worked closely with Central Washington University, Ellensburg Police Department, and the Kittitas County Community Network & Coalition to decrease the number of these calls in order to avoid having to implement a fee for responding to those calls. As of the end of 2013, staff has observed a substantial drop in the number of these calls.

The budget reflects an estimate of \$1,257,500 in ambulance revenues to be received in 2014 which accounts for 21% of the total budgeted revenue. The decline of the economy in recent years has affected patients' ability to pay their bills and the changes to Medicare and Medicaid have impacted KVFR's ambulance revenue. For future planning, the commissioners and staff will continue to monitor economic factors that will affect this revenue.

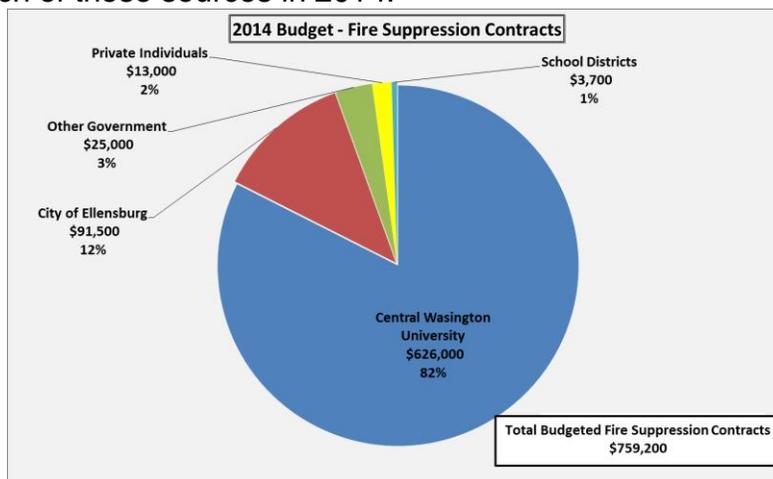
In the Kittitas Valley, the number of calls and the related revenues can be cyclical in nature for a variety of reasons. Winter driving conditions tend to cause an increase in injury vehicle accidents. Scheduled events such as concerts at The Gorge, the beginning of the CWU school year, and the annual fair and rodeo tend to initiate more medical calls. KVFR also tends to complete more transports to other medical facilities when Kittitas Valley Hospital reaches maximum capacity, especially during flu season.

Fire Services Contracts

Federal, state, and local governmental agencies are not required to pay property taxes, so KVFR has entered into fire protection contracts with most of the governmental agencies that own property within the District's boundaries. The contracts are based on the same basis as the property taxes: the entities pay \$1.50 per \$1,000 of their property value. Because of Central Washington University's vast property holdings, KVFR will collect \$626,000 in 2014 from CWU. Historically the Board of Fire Commissioners has informally reserved this money for the purchase of new equipment.

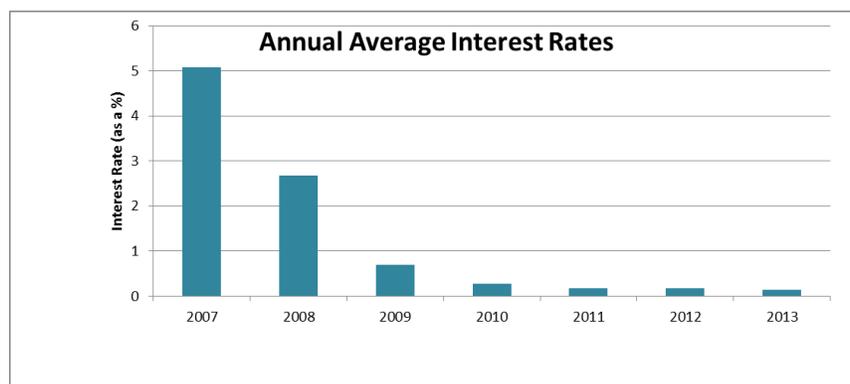
Included in the 2007 merger agreement between the City of Ellensburg and Kittitas County Fire District No. 2 is a clause in which the City of Ellensburg agreed to pay the District for ongoing Fire Marshal services. KVFR's Prevention Captain serves as the Fire Marshal for the City of Ellensburg and the City makes quarterly payments roughly equivalent to the Fire Marshal's salary.

The District also enters into fire suppression contracts with private individuals who own property adjacent to the District's boundaries. The following chart shows the budgeted income from each of these sources in 2014.



Investment Interest Income

The Kittitas County Treasurer acts as the bank for all of the fire districts in the county. Each district's investments are held in a Certificate of Deposit in the district's name by the Local Government Investment Pool (LGIP).

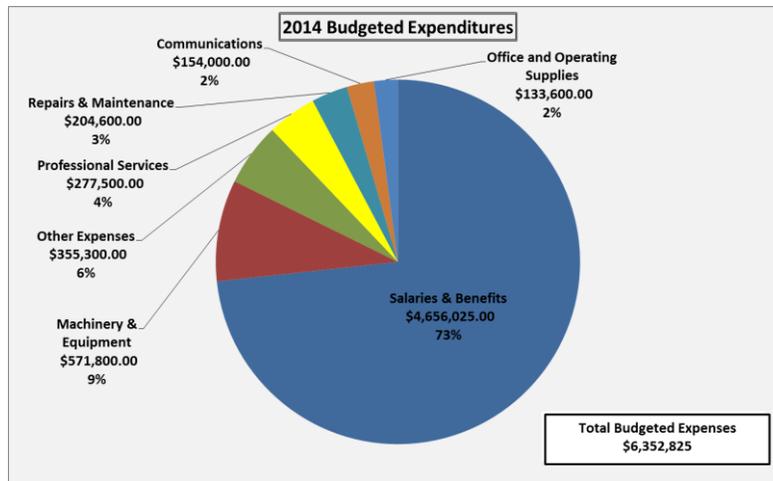


Other Revenues

Other revenues include licenses and permits, rents and leases, donations and other miscellaneous revenues.

EXPENDITURES

The 2014 budgeted expenditures total \$6,352,825 with the largest expenditure being salaries and benefits expenses.



Payroll

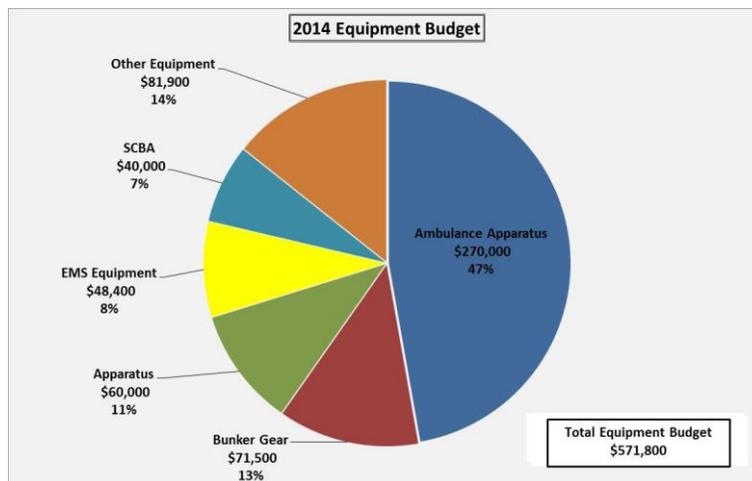
Payroll expenditures comprise 73% of the 2014 expenditures budget. A total of \$3,384,850 is expected to be paid out in salaries and wages while an additional \$1,271,175 is expected to be paid for employee benefits. Of the salaries and wages expense, \$406,850 (12%) can be attributed to overtime pay.



There is the possibility for three career personnel to retire in 2014. These retirements will necessitate contractual buyouts of sick leave and also a payout of other earned leave. The financial liability of these potential retirements has to be factored into the budget.

Machinery and Equipment

The 2014 budget contains \$571,800 for capital equipment expenditures.



KVFR's largest equipment expenditure in the 2014 budget is the purchase of a new ambulance. There will also be a remount of an existing ambulance box onto a new chassis.

The Board of Fire Commissioners and staff are working to create a sinking fund for when the bunker gear needs to be replaced in future years. The balance in this fund will be rolled forward and added to in future years until a major purchase takes place. Similar sinking funds are being created for SCBA purchases and Tech Team equipment.

Two chassis were obtained through the Federal Excess Personal Property program. These chassis will be used to create new tenders. The District's mechanic will do most of the work on these projects and it is expected to cost approximately \$30,000 per tender.

The EMS equipment category includes purchases of equipment for the new ambulance as well as the annual payment on the Stryker stretchers purchased in 2013.

Other equipment purchases include communications equipment, fire appliances, training equipment, computer equipment, tech team equipment, wildland firefighting equipment, office furniture, and other facilities equipment.

Other Expenses

The other expenses category which makes up 6% of the expenditures budget contains such items as fuel, utilities, travel, training, insurance, small tools and equipment, advertising, and intergovernmental payments.

Professional Services

This category of expenditures includes legal fees, Information Technology (IT) support contract payments, I-net connection charges, architecture fees, bond consultant services, and environmental consultant fees. It also includes construction plans review and Resident Firefighter training at the State Fire Academy. In the EMS division, it includes payments for the services of our Medical Officer and EMS ambulance bills collections fees.

Repairs and Maintenance

This category includes \$100,000 for the continued cleanup of the Mountain View property. It also includes the cost of maintaining all of the stations and the apparatus fleet.

Communications

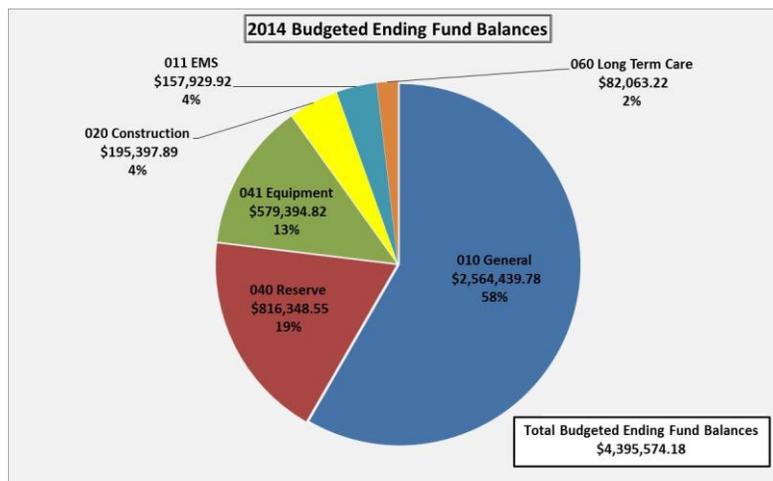
The majority of the District's communications expenses are for dispatch services from Kittcom. The remaining amount of communications expenses include the cost of phone service and postage.

Office and Operating Supplies

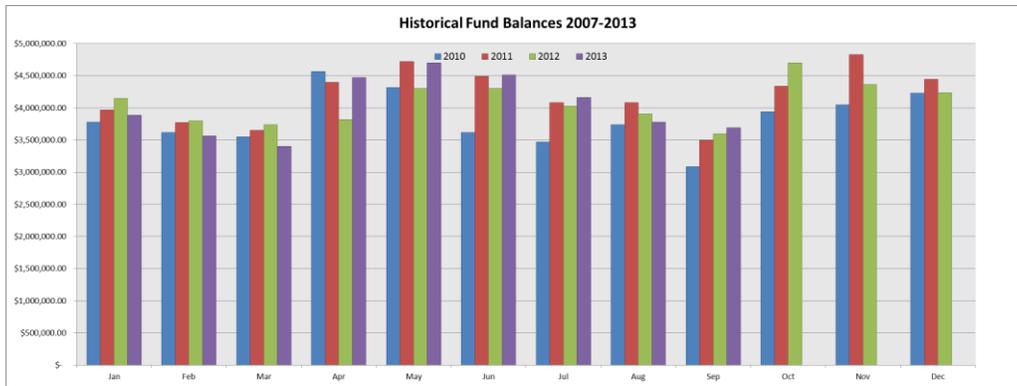
Patient supplies comprise the largest component of the total operating supplies expense. Additional amounts are attributed to suppression related supplies, training supplies, office supplies, and facilities supplies.

FUND BALANCES

KVFR currently has a healthy overall fund balance due to conservative planning over the years by the Board of Fire Commissioners and management staff. The fund balance is the amount available at the end of the period after all receipts have been entered and all bills have been paid. The Commissioners and staff have once again budgeted conservatively with the goal of keeping adequate fund balances.



As previously mentioned, the property tax revenue is cyclical because of the semiannual payment deadlines. The District must continue to pay bills throughout the year even though the bulk of its primary funding is received in April and in October. The following graph demonstrates the trend of how the funds available to the District grow and shrink during the year between property tax payments.



Part of the budgeting process is to determine how much of the property tax and other revenues should be transferred from the General Fund to the other funds during the year to maintain their funding levels and to plan for expenditures out of those funds. The following is a list of transfers scheduled out of the General Fund in the 2014 budget:

- **\$175,000 to the EMS Fund.** While the fee schedule is built to cover the majority of the cost of services, revenues are projected to remain flat while expenses continue to rise. In addition, cash flow can be tight when patients or insurance companies do not pay their bills in a timely manner; therefore, tax money is needed to help cover EMS costs.
- **\$100,000 to the Construction Fund.** The cost of the continued cleanup for the 400 E. Mountain View property will be paid out of the Construction Fund. The District is anticipating assistance from the Department of Ecology to cover the majority of the cost of the cleanup.
- **\$500,000 to the Equipment Fund.** This transfer will effectively move a large part of the CWU Fire Suppression Contract payment into the Equipment Fund to cover the cost of the approved equipment purchases.
- **\$2,000 to the Long Term Care Fund.** There are currently three surviving LEOFF 1 members who the District is obligated to pay medical claims for. This fund reserves money to be used for paying those claims.
- **\$0 to the Reserve Fund.** The State Auditor's office recommends that entities carry funds in reserve to cover at least two months of operating expenditures in the case of emergency. The Commissioners and KVFR staff have determined that the fund balance is adequate and no transfer is necessary in 2014.

Changes in Fund Balance

The 2014 budget calls for a \$300,115 decrease in the fund balance; however, it should be noted in the details below, that the amended 2013 budget offsets this by an expected \$299,950 increase in fund balance. These figures effectively offset each other for a balanced budget. This was possible due to the fact that several 2013 budgeted expenses were not completed in 2013 and were rolled forward into the 2014 budget.

2014 BUDGET							
	010 General	011 EMS	020 Construction	040 Reserve	041 Equipment	060 Long Term Care	All Funds
Beginning Fund Balance	2,747,054.78	208,179.92	194,897.89	814,948.55	650,694.82	79,913.22	4,695,689.18
Total Revenues	4,792,360.00	1,257,800.00	500.00	1,400.00	500.00	150.00	6,052,710.00
Total Expenses	(4,197,975.00)	(1,483,050.00)	(100,000.00)	0.00	(571,800.00)	0.00	(6,352,825.00)
Total Transfers In	0.00	175,000.00	100,000.00	0.00	500,000.00	2,000.00	777,000.00
Total Transfers Out	(777,000.00)	0.00	0.00	0.00	0.00	0.00	(777,000.00)
Ending Fund Balance	2,564,439.78	157,929.92	195,397.89	816,348.55	579,394.82	82,063.22	4,395,574.18
Increase/(Decrease) in Fund Balance	(182,615.00)	(50,250.00)	500.00	1,400.00	(71,300.00)	2,150.00	(300,115.00)

2013 AMENDED BUDGET							
	010 General	011 EMS	020 Construction	040 Reserve	041 Equipment	060 Long Term Care	All Funds
Beginning Fund Balance	1,919,786.75	254,954.61	638,345.08	783,574.22	544,977.87	77,765.84	4,219,404.37
Total Revenues	4,888,825.00	1,160,175.00	500.00	1,400.00	362,500.00	150.00	6,413,550.00
Total Expenses	(3,924,150.00)	(1,411,800.00)	(100,000.00)	0.00	(798,234.25)	0.00	(6,234,184.25)
Total Transfers In	0.00	75,000.00	100,000.00	30,000.00	400,000.00	2,000.00	607,000.00
Total Transfers Out	(486,415.75)	0.00	0.00	0.00	0.00	0.00	(486,415.75)
Ending Fund Balance	2,398,046.00	78,329.61	638,845.08	814,974.22	509,243.62	79,915.84	4,519,354.37
Increase/(Decrease) in Fund Balance	478,259.25	(176,625.00)	500.00	31,400.00	(35,734.25)	2,150.00	299,950.00

Over the years since the merger on 2007 revenues have generally exceeded expenses, thus allowing the District to build fund balances to existing levels. These fund balances will attribute to a more positive bond rating and will allow more flexibility in financial planning in the future.

