

MCAG	Fund Number	Fund Name	BARS Account	Description	Amount
2524	001	Operating	3088000	Beg Fund Bal-Unreserved	717,276
2524	001	Operating	3111000	Property Taxes	6,135,039
2524	001	Operating	3111000	Deferred Property Taxes	108,458
2524	001	Operating	3174000	Forest Excise Tax	315
2524	001	Operating	3172000	Leasehold Excise Tax	1,284
2524	001	Operating	3422100	Fire Protection Services	3,615
2524	001	Operating	3611100	Investment Interest	7,681
2524	001	Operating	3611900	Investment Service Fees	81
2524	001	Operating	3613100	Realized Gains/(Losses)	650
2524	001	Operating	3694000	Judgements or Settlement	3,277
2524	001	Reserve	3088000	Beg Fund Bal-Unreserved	1,142,439
2524	001	Reserve	3611100	Investment Interest	5,928
2524	001	Reserve	3611900	Investment Service Fees	(246)
2524	001	Reserve	3613100	Realized Gains/(Losses)	1,124
2524	001	Reserve	3694000	Judgements or Settlement	8,689
2524	001	Reserve	3671100	Private Gifts	23,445
2524	300	Capital Projects	3081000	Beg Fund Bal-Reserved	4,370,359
2524	300	Capital Projects	3611100	Investment Interest	22,110
2524	300	Capital Projects	3611900	Investment Service Fees	(1,197)
2524	300	Capital Projects	3613100	Realized Gains/(Losses)	1,092
2524	300	Capital Projects	3694000	Judgements or Settlement	1,832
2524	300	Capital Projects	5942248	Repairs & Maintenance	667
2524	001	Operating	5221010	Legislative-Admin-Salaries & Wages	7,996
2524	001	Operating	5221030	Legislative-Administration-Supplies	367
2524	001	Operating	5221040	Legislative-Administration-Services	4,142
2524	001	Operating	5221040	Legislative-Administration-Travel	45
2524	001	Operating	5226040	Legislative-Legis. Services-Prof. Services	18,000
2524	001	Operating	5226040	Legislative-Legis. Services-Communications	17,015
2524	001	Operating	5226040	Legislative-Legislative Services-Misc.	214
2524	001	Operating	5227040	Legislative-Election Costs	(0)
2524	001	Operating	5221110	Fin & Rec Svcs-Admin-Salaries & Wages	78,556
2524	001	Operating	5221120	Fin & Rec Svcs-Admin-Personnel Benefits	43,343
2524	001	Operating	5221130	Fin & Rec Svcs-Admin-Supplies	514
2524	001	Operating	5221140	Fin & Rec Svcs-Admin-Services	1,531
2524	001	Operating	5221140	Fin & Rec Svcs-Admin-Travel	48
2524	001	Operating	5221140	Fin & Rec Svcs-Admin-Insurance	1,901
2524	001	Operating	5221240	Other Services-Misc	115
2524	001	Operating	5221310	Licensing Services	76
2524	001	Operating	5221140	Budget & Accounting Services	6,447
2524	001	Operating	5223030	Public Safety-Fire Control-Fire Prev Supplies	2,752
2524	001	Operating	5223040	Public Safety-Fire Control-Fire Prev Services	552
2524	001	Operating	5223051	Intergovernmental payments	5,879,264
2524	001	Operating	5088000	End Fund Bal-Unreserved	917,976
2524	300	Capital Projects	5081000	End Fund Bal-Reserved	4,390,352
2524	001	Reserve	5088000	End Fund Bal-Unreserved	1,181,379

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 Operating	300 Capital Projects
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	4,370,359	0	4,370,359
30880	Beg Fund Bal-Unreserved	1,859,715	1,859,715	0
38800/58800	Prior Period Adjustments, net	0	0	0
Operating Revenues				
310	Taxes	6,245,096	6,245,096	0
320	Licenses & Permits	0	0	0
330	Intergovernmental Revenues	0	0	0
340	Charges for Goods and Services	3,615	3,615	0
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	74,466	50,629	23,837
Total Operating Revenues:		6,323,177	6,299,340	23,837
Operating Expenditures				
510	General Government	0	0	0
520	Public Safety	6,062,878	6,062,878	0
598	Intergovernmental Payments	0	0	0
Total Operating Expenditures:		6,062,878	6,062,878	0
Net Operating Increase (Decrease):		260,299	236,462	23,837
Nonoperating Revenues				
370, 380, 395, 398	Other Financing Sources	0	0	0
391-393	Debt Proceeds	0	0	0
397	Transfers-In	0	0	0
Total Nonoperating Revenues:		0	0	0
Nonoperating Expenditures				
580, 596, 599	Other Financing Uses	0	0	0
591-593	Debt Service	0	0	0
594-595	Capital Expenditures	667	0	667
597	Transfers-Out	0	0	0
Total Nonoperating Expenditures:		667	0	667
Increase (Decrease) in Cash and Investments		259,632	236,462	23,170
Ending Cash and Investments				
50810	End Fund Bal-Reserved	4,390,352	0	4,390,352
50880	End Fund Balance-Unreserved	2,099,355	2,099,355	0

The accompanying notes are an integral part of this Statement.

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The King County Fire District 34 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.

The King County Fire District was incorporated on January 12, 1948 and operates under the laws of the state of Washington applicable to a Fire District. The King County Fire District is a general purpose government and provides fire suppression and fire prevention services. The King County Fire District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

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

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

C. Budgets

The King County Fire District adopts annual appropriated budgets for two funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Total General Fund	\$6,119,000	\$6,062,878	\$56,122
Capital Project Fund	\$2,500	\$667	\$1,833

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the King County Fire District 34 legislative body.

D. Cash

It is the King County Fire District 34's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The King County Fire District 34 deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation.

F. Investments See Note 2, *Investments*.

G. Capital Assets

Capital assets are assets with an initial individual cost of more than \$9,999 and an estimated useful life in excess of one year. The capital assets of the King County Fire District are recorded as expenditures when purchased.

H. Compensated Absences

Vacation leave may be accumulated up to 360 hours (45 days) and is payable upon separation or retirement. As of December 31, 2013, the total vacation liability is 110 hours.

Sick leave may be accumulated up to a maximum of 960 hours. Upon retirement employees receive payment for 25% of unused sick leave. As of December 31, 2013, the total sick pay liability is 147 hours.

As a bonus for consistent attendance, the District's employees are entitled to a credit equal to 25% of unused sick leave accrued during the preceding 12 months. At the employee's option, the credit may be added to the employee's vacation leave or paid to the employee at their regular rate of pay.

Note 2 - Investments

The King County Fire District 34's investments are insured, registered or held by the King County Treasurer or its agent in the King County Fire District 34's name.

Investments are presented at market value.

Investments total at December 31, 2013 is \$6,489,707.

Note 3 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by King County Fire District 34. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The King County Fire District regular levy for the year 2013 was \$1.50 per \$1,000 on an assessed valuation of \$4,196,487,269 for a total regular levy of \$6,294,731.

Note 4 - Pension Plans

Substantially all King County Fire District 34's 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 the King County Fire District 34's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

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

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

Note 5 - Other Disclosures

King County Fire District #34 has an operating agreement with the City of Redmond, whereby the city provides fire prevention, suppression and medical aid services to all properties and persons within the boundaries of the District. The city also furnishes all personnel required to perform the services described above, except one full-time Administrative Assistant and one part-time District Secretary. In return, the District pays the city for said services based upon a percentage of cost determined by a combination of factors, including location of stations and calls for service. This agreement expires at the end of 2016.

**Labor Relations Consultant(S)
For the Year Ended December 31, 2013**

Has your government engaged labor relations consultants? ___ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including: Rates (e.g., hourly, etc.) Maximum compensation allowed Duration of services Services provided

ANNUAL REPORT CERTIFICATION

King County Fire District 34

2524

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended December 31, 2013

GOVERNMENT INFORMATION:

Official Mailing Address 8450 161st Ave NE, Redmond, WA 98052 _____

Official Website Address www.kcfd34.org _____

Official E-mail Address b.weaver@kcfd34.org _____

Official Phone Number 425.556.2226 _____

PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title Fred Shanafelt, Commissioner _____

Contact Phone Number 425.556.2226 _____

Contact E-mail Address f.shanafelt@kcfd34.org; b.weaver@kcfd34.org _____

I do hereby certify on the 25th day of March, 2014, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification.

Moreover, I acknowledge and understand that management and the governing body are responsible for:

- The design and implementation of policies and procedures to safeguard public resources and to ensure compliance with applicable laws and regulations, including internal controls to prevent and detect fraud.
- Compliance with applicable state and local laws and regulations.
- Immediately submitting corrected annual report information if any error in submitted information is subsequently identified.

Preparer Signature:

Fred Shanafelt