

ANNUAL REPORT

King County Fire District #34

2524
MCAG No.

**Submitted pursuant to RCW 43.09.230
to the
STATE AUDITORS OFFICE**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

Certified correct this 17th day of May, 2010, to the best of my knowledge and belief:

GOVERNMENT INFORMATION:

Official Mailing Address _____

Official Web Site Address _____

PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title _____

Contact Phone Number _____

Contact Fax Number _____

Contact E-mail Address _____

Signature _____

KING COUNTY FIRE DISTRICT 34
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE	Description	Total for All Funds	Current Expense - 001	Special - 101	Debt Service Fund - 200	Capital Project - 300
308	Beginning Net Cash and Investments	3,025,891.58	1,073,732.60	174,719.42	3,969.44	1,773,470.12
Revenues and Other Sources						
310	Taxes	6,805,872.42	6,805,151		721	
320	Licenses and Permits	-				
330	Intergovernmental	-				
340	Charges for Goods and Services	3,025.18	3,025			
350	Fines and Forfeits	-				
360	Miscellaneous	49,050.91	21,942	7,613	221	19,276
390	Other Financing Sources	750,000.00		750,000		
Total Revenues and Other Sources		7,607,949	6,830,118	757,613	942	19,276
Total Resources		10,633,840	7,903,851	932,332	4,911	1,792,746
Expenditures and Other Uses						
510	General Government	195,145.74	195,146			
520	Public Safety	2,519.80	2,520			
Total Operating Expenditures		197,666	197,666	0	0	0
591-593	Debt Service	-				
594	Capital Expenditures	19,310.44				19,310
598	Other Expenditures	5,257,990.00	5,257,990			
Total Expenditures		5,474,966	5,455,656	0	0	19,310
596, 597, 599	Other Financing Uses	750,079.72	750,000			80
Total Expenditures and Other Uses		6,225,046	6,205,656	0	0	19,390
Excess (Deficit) of Resources Over Uses		4,408,794	1,698,195	932,332	4,911	1,773,356
380	Nonrevenues (Except 384 and 388.80)	3,625.00				3,625
580	Nonexpenditures (Except 584 and 588.80)	147.49	147			0
508	Ending Net Cash and Investments	4,412,272	1,698,048	932,332	4,911	1,776,981

The Accompanying Notes Are An Integral Part Of This Statement.

KING COUNTY FIRE DISTRICT #34
Notes to the Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

King County Fire District 34 is a special purpose government that provides fire protection services and emergency medical assistance to the general public and is supported primarily through property taxes. The District was incorporated on January 12, 1948 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts.

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

Special Revenue Funds

These funds account for property tax committed by the board of commissioners for specific purposes.

General Obligation Funds

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt.

Capital Project Funds

These funds account for financial resources that are designated for the acquisition or construction of general government capital projects.

b. Basis of Accounting

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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid.

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

c. Cash

It is the District's policy to invest all temporary cash surpluses. The amount is included on the statement of resources and uses arising from cash transactions as cash and investments.

d. **Deposits**

The District's deposits are covered by the Federal Deposit Insurance Corporation.

e. **Capital Assets**

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

f. **Compensated Absences**

Vacation pay may be accumulated up to 45 days and is payable upon separation or retirement.

The district's full-time employee and one 80% part-time employee earn eight hours of sick leave per month and may be accumulated indefinitely. Upon separation or retirement, employees do not receive payment for unused sick leave.

As a bonus for consistent attendance, the full-time district employee is 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 – COMPLIANCE AND ACCOUNTABILITY

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

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 after the end of each month.

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

The district regular levy for the year 2009 for collection in 2010 was \$1.50 per \$1,000 on an assessed valuation of \$4,662,295,587 for a total regular levy of \$6,993,443.

NOTE 4 – INVESTMENTS

The district's investments are held by the King County as its agent in the District's name. Investments by trust at December 31, 2010 were as follows:

<u>Type of Investment</u>	<u>Balance</u>
US Treasury	1,884,544
Federal Agency Obligations	1,681,526
State Gov't Invest Pool	454,586
Repurchase Agreements	348,663
Mortgage Backed Securities	30,894
Municipal Obligations	13,240

Total	\$4,413,453

NOTE 5 - LONG-TERM DEBT

As of December 31, 2010, the District had no debt.

NOTE 6 – OTHER LONG-TERM OBLIGATIONS

The District has an operating agreement with the City of Redmond for the city to provide fire prevention, suppression, and medical aid services to the areas within the boundaries of the district. The city furnishes fire and emergency medical protection to all properties and persons within 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.

In addition, the District's two full-time employees participate in the Washington State Department of Retirement Systems Deferred Compensation Program (DCP). The District matches \$0.80 for each \$1.00 contributed by the employee (up to 6.2% of salary).

NOTE 7 - PENSION PLANS

Fire District 34's one full-time employee participates in *PERS 2* administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the District's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be obtained at:

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

**KING COUNTY FIRE DISTRICT #34
SCHEDULE OF LIMITATION OF INDEBTEDNESS
As of December 31, 2010**

	Total Taxable Property Value:	4,662,295,587
1	Maximum Indebtedness for both general and capital purposes .75%	34,967,217

General Purpose (non-voted) Limit - cannot exceed .375% of Total Taxable Property Value

2	Outstanding non-voted debt	\$	-
3	Subtract: Available allocated assets	\$	4,412,272
4	Net Outstanding non-voted debt	\$	(4,412,272)
5	Maximum indebtedness for non-voted debt (up to .375%)	\$	17,483,608
6	Amount under (over) non-voted statutory limitation	\$	21,895,880

Combined Limit - cannot exceed .75% of Total Taxable Property Value

7	Outstanding voted debt for capital purposes		
8	Subtract: Available allocated assets		
9	Net Outstanding voted debt for capital purposes	\$	-
10	Net Outstanding non-voted debt (From Line 4 above)	\$	(4,412,272)
11	Total Outstanding debt	\$	(4,412,272)
12	Amount under (over) combined statutory limitation	\$	39,379,489

**KING COUNTY FIRE DISTRICT #34
LABOR RELATIONS CONSULTANT(S)**

For the Year Ended December 31, 2010

Has your government engaged labor relations consultants? Yes No

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

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 Compensations Allowed _____
Duration Of Service _____
Services Provided _____

Certified Correct this 17th day of May, 2011 to the best of my Knowledge and belief.
Signature
Peter Lucarelli
Chairman, King County Fire Protection District 34