

ANNUAL REPORT

King County Fire District #34

(name of city/town/county/district)

2524

MCAG No.

Submitted pursuant to RCW 43.09.230
to the
STATE AUDITORS OFFICE

FOR THE FISCAL YEAR ENDED DECEMBER, 2011

Certified correct this 14th day of June, 20 12, to the best of my knowledge and belief:

GOVERNMENT INFORMATION:

Official Mailing Address 8450 161st Ave. N.E.

Official Web Site Address kcfg34.org

PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title Fred Shanafelt, Commissioner

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Signature Fred Shanafelt

KING COUNTY FIRE DISTRICT #34

FUND RESOURCES AND USES

ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		Total for All Funds	001	101	200	300
			Operating Fund	Reserve Fund	GO Bond Fund	Capital Projects
Beginning Cash and Investments						
308.10	Reserved	\$2,714,224		\$932,332	4,911	\$1,776,981
308.80	Unreserved	1,698,048	1,698,048			
	Prior Period Adjustments (388.80 and 588.80)	4,267	4,267			
Revenues and Other Sources						
310	Taxes	6,548,347	6,548,120		227	
320	Licenses and Permits	0				
330	Intergovernmental	0				
340	Charges for Goods and Services	3,112	3,112			
350	Fines and Penalties	0				
360	Miscellaneous	46,099	20,956	8,146	286	16,711
390	Other Financing Sources	1,244,369	150	175,000		1,069,219
Total Revenues and Other Financing Sources		7,841,927	6,572,338	183,146	513	1,085,930
Total Resources		12,258,465	8,274,652	1,115,478	5,424	2,862,910
Operating Expenditures:						
510	General Government	187,783	187,783			
520	Public Safety	0				
Total Operating Expenditures		187,783	187,783	0	0	0
591-593	Debt Service	0				
594	Capital Expenditures	17,924				17,924
598	Other Expenditures	6,141,080	6,141,080			
Total Expenditures		6,346,786	6,328,863	0	0	17,924
596-599	Other Financing Uses	175,000	175,000			
Total Expenditures and Other Financing Uses		6,521,786	6,503,863	0	0	17,924
Excess (Deficit) of Resources Over Uses		5,736,679	1,770,789	1,115,478	5,424	2,844,987
380	Nonrevenues (Except 384)	0				
580	Nonexpenditures (Except 584)	0				
Ending Cash and Investments:						
508.10	Reserved	3,965,889		1,115,478	5,424	2,844,987
508.80	Unreserved	1,770,789	1,770,789			

The Accompanying Notes Are An Integral Part Of This Statement.

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 #34 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 #34 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 #34 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 #34 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 #34:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of the King County Fire District #34. 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 specific revenue sources that are restricted or committed to expenditures for specified purposes of the King County Fire District #34.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

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. Cash

It is the King County Fire District #34 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.

d. Capital Assets

Capital assets are long-lived assets of the King County Fire District #34 and are recorded as expenditures when purchased.

e. Compensated Absences

Vacation leave may be accumulated up to 45 days and is payable upon separation or retirement. As of December 31, 2011 the total vacation pay liability is 24 days.

Sick leave may be accumulated to a maximum of 960 hours and, upon retirement, employees receive 25% of their accrued unused sick leave. As of December 31, 2011, the total sick pay liability is 20 hours. Upon separation, employees do not receive payment for unused sick leave.

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 - COMPLIANCE AND ACCOUNTABILITY

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

There have been no expenditures exceeding legal appropriations in any of the funds of the King County Fire District #34.

NOTE 3 - INVESTMENTS

The King County Fire District #3 investments are held by the King County Treasurer in the King County Fire District #34's name.

Investments are presented at market value.

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

Type of Investment	King County Fire District #34's investments	Investments held by (City/County/District) as an agent for other local governments, individual or private organizations.	Total
L.G.I.P.	\$ 794,431	\$	\$
U.S. Gov. Securities	3,002,025		
Treasury Securities	965,922		
U.S. Agency Mortgage Backed Securities	23,236		

Total	\$ 4,785,614	\$	\$
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NOTE 4 - 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 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 #34 regular levy for the year 2010 was \$1.5 per \$1,000 on an assessed valuation of \$4,507,193,092 for a total regular levy of \$6,760,790.

NOTE 5 - PENSION PLANS

King County Fire District #34 full-time and qualifying part-time employees participate in PERS 2 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 financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

In addition, the King County Fire District #34 employees participate in the Washington State Department of Retirement Systems Deferred Compensation Program (DCP). The District matches \$0.80 for each \$1.00 contributed the employee (up to 6.2% of salary).

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 6- LONG TERM DEBT

King County Fire District #34 had no debt during or at the end of the year ended December 31, 2011.

NOTE 6 - OTHER LONG TERM OBLIGATIONS

King County Fire District #34 has an operating agreement with City of Redmond whereby the city provides fire prevention, suppression and medical aid services 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.

KING COUNTY FIRE DISTRICT #34

DETAIL OF REVENUES/EXPENDITURES

For the Year Ended December 31, 2011

Fund	BARS			
MCAG Number	Fund Name	Account	Description	Amount
Revenue and other sources:				
2524 001	Operating	3111000	Property Taxes	6,437,626
2524 001	Operating	3116000	Deferred Property Taxes	109,639
2524 001	Operating	3121000	Forest Excise Tax	115
2524 001	Operating	3172000	Leasehold Excise Tax	739
2524 001	Operating	3422100	Fire Protection Services	3,112
2524 001	Operating	3611100	Investment Interest	20,321
2524 001	Operating	3611900	Investment Service Fees	(670)
2524 001	Operating	3613200	Unrealized Gains/(Losses)	1,305
2524 001	Operating	3888000	Other Increases -- Prior year corrections	4,267
2524 001	Operating	3980000	Insurance Recoveriest	150
2524 100	Reserve	3611100	Investment Interest	5,858
2524 100	Reserve	3611900	Investment Service Fees	(230)
2524 100	Reserve	3613200	Unrealized Gains/(Losses)	258
2524 100	Reserve	3613100	Unrealized Gains/(Losses)	2,260
2524 100	Reserve	3970000	Tansfers in	175,000
2524 200	GO Bond	3111000	Property Taxes	(22)
2524 200	GO Bond	3116000	Deferred Property Taxes	249
2524 200	GO Bond	3611100	Investment Interest	32
2524 200	GO Bond	3611900	Investment Service Fees	(1)
2524 200	GO Bond	3613200	Unrealized Gains/(Losses)	255
2524 300	Capital Projects	3611100	Investment Interest	14,829
2524 300	Capital Projects	3611900	Investment Service Fees	(629)
2524 300	Capital Projects	3613200	Unrealized Gains/(Losses)	257
2524 300	Capital Projects	3613200	Unrealized Gains/(Losses)	2,253
2524 300	Capital Projects	3951000	Sales of Capital Assets	1,069,219
Expenses and other uses				
2524 001	Operating	5111010	Legislative-Admin-Salaries & Wages	11,024
2524 001	Operating	5111030	Legislative-Administration-Supplies	58
2524 001	Operating	5111040	Legislative-Administration-Services	158
2524 001	Operating	5116041	Legislative-Legis. Services-Prof. Services	15,670
2524 001	Operating	5116043	Legislative-Legislative Services-Travel	169
2524 001	Operating	5116049	Legislative-Legislative Services-Misc.	133
2524 001	Operating	5117000	Legislative-Election Costs	711
2524 001	Operating	5141010	Fin & Rec Svcs-Admin-Salaries & Wages	100,505
2524 001	Operating	5141020	Fin & Rec Svcs-Admin-Personnel Benefits	46,559
2524 001	Operating	5141030	Fin & Rec Svcs-Admin-Supplies	792
2524 001	Operating	5141040	Fin & Rec Svcs-Admin-Services	5,560
2524 001	Operating	5141043	Fin & Rec Svcs-Admin-Travel	554
2524 001	Operating	5141046	Fin & Rec Svcs-Admin-Insurance	3,735
2524 001	Operating	5141090	Fin & Rec Svcs-Admin-Reconciliation Discrep	253
2524 001	Operating	5142023	Fin & Rec Svcs-Fin Svcs-Budgeting, Auditing,	449

2524	001	Operating	5148081	Fin & Rec Svcs-Other Admin Svcs- Licensing	52
2524	001	Operating	5199000	Other Services-Miscellaneous	1,400
2524	001	Operating	5970000	Transfers out	175,000
2524	001	Operating	5980000	Intergovernmental payments	6,141,080
2524	300	Capital Projects	5946540	Capital Expend-Const of Cap Assets-Service	360
2524	300	Capital Projects	5946541	Capital Expend-Const of Cap Assets-Prof Svc	6,775
2524	300	Capital Projects	5946547	Capital Expend-Const of Cap Assets-Utility S	6,534
2524	300	Capital Projects	5946548	Capital Expend-Const of Cap Assets-R & M	4,255

King County Fire District #34
 Schedule of Limitation of Indebtedness
 As of December 31, 2011

Total Taxable Property Value	\$ 4,507,193,092	Remaining Debt Capacity
2.5% General purpose limit is allocated between:	112,679,827	
Up to 1.5% debt without a vote	67,607,896	
Less: Outstanding Debt	0	
Less: Excess of Debt with a Vote	0	
Add: Available Assets	5,736,679	
Equals remaining debt capacity without a vote		\$73,344,575
Up to 2.5% debt with a vote	118,416,506	
Less: Outstanding Debt	0	
Add: Available Assets	5,736,679	
Equals remaining debt capacity with a vote		\$124,153,185

MCAG NO. 2524

King County Fire District #34
(CITY/COUNTY/DISTRICT)

Schedule 19

**LABOR RELATIONS CONSULTANT(S)
For the Year Ended December 31, 2011**

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 _____ _____

Certified Correct this <u>14th</u> day of <u>JUNE</u> , 20 <u>12</u> to the best of my knowledge and belief:
Signature <u>Fred Shanafelt</u>
Name Fred Shanafelt
Title Commissioner

**LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2011**

Program Manager: _____

Address: _____

Phone: _____

Email: _____

- 1. No Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

If NO, STOP, you do not need to complete the rest of this Schedule.

If YES, continue below.

- a. Which class of risk does the entity self-insure? Check all that apply.
 - i. Liability
 - ii. Property
 - iii. Health and Welfare (medical, vision, dental, prescription)
 - iv. Unemployment Compensation
 - v. Workers' Compensation
 - vi. Other - please describe: _____
- b. Does the entity self-insure as an individual program? (yes/no)
 - i. If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.
If so, list the entity or entities: _____
- c. Does the entity self-insure as a joint program? (yes/no)
 - i. If answered YES, list the other member(s): _____

2. ____ Does the entity administer its own claims? (yes/no)
3. ____ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. ____ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. ____ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. ____ Did the program use an actuary to determine its liabilities? (yes/no)

EXAMPLE

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period