



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report
King County Fire Protection District
No. 34

For the period January 1, 2014 through December 31, 2015

Published April 17, 2017

Report No. 1018845





Office of the Washington State Auditor
Pat McCarthy

April 17, 2017

Board of Commissioners
King County Fire Protection District No. 34
Redmond, Washington

Report on Financial Statements

Please find attached our report on King County Fire Protection District No. 34's financial statements.

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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**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**

**King County Fire Protection District No. 34
January 1, 2014 through December 31, 2015**

Board of Commissioners
King County Fire Protection District No. 34
Redmond, 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 King County Fire Protection District No. 34, King County, Washington, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated April 7, 2017.

We issued an unmodified opinion on the fair presentation of the District'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 District 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 District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 District's financial statements are free from material misstatement, we performed tests of the District'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 District'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 District'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 "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

April 7, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

King County Fire Protection District No. 34 January 1, 2014 through December 31, 2015

Board of Commissioners
King County Fire Protection District No. 34
Redmond, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of King County Fire Protection District No. 34, King County, Washington, for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District'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 opinions 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 District'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 District'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, King County Fire Protection District No. 34 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 King County Fire Protection District No. 34, for the years ended December 31, 2015 and 2014, 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 District 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 King County Fire Protection District No. 34, as of December 31, 2015 and 2014, 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 opinions on the financial statements taken as a whole. The accompanying Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is 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 April 7, 2017 on our consideration of the District'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 District's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

April 7, 2017

FINANCIAL SECTION

King County Fire Protection District No. 34 January 1, 2014 through December 31, 2015

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2015

Fund Resources and Uses Arising from Cash Transactions – 2014

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Schedule of Liabilities – 2015

King County Fire Protection District No. 34
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	001 Operating	300 Capital Projects
Beginning Cash and Investments				
30810	Reserved	4,715,038	-	4,715,038
30880	Unreserved	2,385,400	2,385,400	-
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	6,950,018	6,950,018	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	3,950	3,950	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	51,031	21,283	29,748
Total Operating Revenues:		7,004,999	6,975,251	29,748
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	6,596,690	6,596,690	-
598	Miscellaneous Expenses	-	-	-
Total Operating Expenditures:		6,596,690	6,596,690	-
Net Operating Increase (Decrease):		408,309	378,561	29,748
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	500,000	-	500,000
Total Nonoperating Revenues:		500,000	-	500,000
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	2,979	-	2,979
597	Transfers-Out	500,000	500,000	-
Total Nonoperating Expenditures:		502,979	500,000	2,979
Net Increase (Decrease) in Cash and Investments:		405,330	(121,439)	526,769
Ending Cash and Investments				
5081000	Reserved	5,241,807	-	5,241,807
5088000	Unreserved	2,263,961	2,263,961	-
Total Ending Cash and Investments		7,505,768	2,263,961	5,241,807

The accompanying notes are an integral part of this statement.

King County Fire Protection District No. 34
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		Total for All Funds (Memo Only)	001 Operating	300 Capital Projects
Beginning Cash and Investments				
30810	Reserved	4,390,352	-	4,390,352
30880	Unreserved	2,099,355	2,099,355	-
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	6,879,366	6,879,366	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	3,786	3,786	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	41,269	17,992	23,277
Total Operating Revenues:		6,924,421	6,901,144	23,277
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	6,311,923	6,311,923	-
Total Operating Expenditures:		6,311,923	6,311,923	-
Net Operating Increase (Decrease):		612,498	589,221	23,277
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	300,000	-	300,000
Total Nonoperating Revenues:		300,000	-	300,000
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	1,768	-	1,768
597	Transfers-Out	300,000	300,000	-
Total Nonoperating Expenditures:		301,768	300,000	1,768
Net Increase (Decrease) in Cash and Investments:		610,730	289,221	321,509
Ending Cash and Investments				
5081000	Reserved	4,715,038	-	4,715,038
5088000	Unreserved	2,385,400	2,385,400	-
Total Ending Cash and Investments		7,100,438	2,385,400	4,715,038

The accompanying notes are an integral part of this statement.

Amended 2015 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 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 is a general purpose government and provides fire suppression and fire prevention services. 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:

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.

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 34 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 follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Total General Fund	6,631,750	\$6,596,386	\$35,364
Capital Project Fund	\$3,000	\$2,979	\$21

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, 2015, the total vacation liability is 96.7 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, 2015, the total sick pay liability is 63 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, 2015 is \$6,136,012.

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 2015 was \$1.50 per \$1,000 on an assessed valuation of \$5,557,947,811 for a total regular levy of \$7,000,000.

Note 4 - Pension Plans

A. State Sponsored Pension Plans

Substantially all King County Fire District 34's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS and Deferred Compensation.

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 (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

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

At June 30, 2015 (the measurement date of the plans), the King County Fire District 34's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.000411%	\$21,499
PERS 2/3	0.000532%	\$19,009

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 for one three-quarter time District Secretary/Administrative Assistant. 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.

2014 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 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 is a general purpose government and provides fire suppression and fire prevention services. 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:

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.

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 34 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 follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Total General Fund	6,438,100	\$6,311,921	\$126,179
Capital Project Fund	\$3,000	\$1,768	\$1,232

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, 2014, the total vacation liability is 132 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, 2014, the total sick pay liability is 51 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, 2014 is \$7,100,438.

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 2014 was \$1.50 per \$1,000 on an assessed valuation of \$4,586,392,756 for a total regular levy of \$6,933,561.

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 for one three-quarter time District Secretary/Administrative Assistant. 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 Protection District No. 34
Schedule of Liabilities
For the Year Ended December 31, 2015

<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>
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Pension Liability		-	40,508	-	40,508
259.12	Compensated Absences		5,193	-	557	4,636
Total Revenue and Other (non G.O.) Debt/Liabilities:			<u>5,193</u>	<u>40,508</u>	<u>557</u>	<u>45,144</u>
Total Liabilities:			<u>5,193</u>	<u>40,508</u>	<u>557</u>	<u>45,144</u>

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