



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Financial Statements Audit Report**  
**Si View Metropolitan Park District**

**For the period January 1, 2016 through December 31, 2017**

**Published September 27, 2018**

**Report No. 1022272**





**Office of the Washington State Auditor  
Pat McCarthy**

September 27, 2018

Board of Commissioners  
Si View Metropolitan Park District  
North Bend, Washington

**Report on Financial Statements**

Please find attached our report on the Si View Metropolitan Park District'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**

**Si View Metropolitan Park District  
January 1, 2016 through December 31, 2017**

Board of Commissioners  
Si View Metropolitan Park District  
North Bend, 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 the Si View Metropolitan Park District, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 25, 2018.

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 style with a large, sweeping initial "P".

Pat McCarthy

State Auditor

Olympia, WA

September 25, 2018

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **Si View Metropolitan Park District January 1, 2016 through December 31, 2017**

Board of Commissioners  
Si View Metropolitan Park District  
North Bend, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Si View Metropolitan Park District, for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

#### **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, the Si View Metropolitan Park District 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 the Si View Metropolitan Park District, for the years ended December 31, 2017 and 2016, 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 the Si View Metropolitan Park District, as of December 31, 2017 and 2016, 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 conducted for the purpose of forming opinions on the financial statements taken as a whole. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are 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 September 25, 2018 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.

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Pat McCarthy

State Auditor

Olympia, WA

September 25, 2018

## **FINANCIAL SECTION**

### **Si View Metropolitan Park District January 1, 2016 through December 31, 2017**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2017

Fund Resources and Uses Arising from Cash Transactions – 2016

Notes to the Financial Statements – 2017

Notes to the Financial Statements – 2016

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2017

Schedule of Liabilities – 2016

**Si View Metropolitan Park District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

		Total for All Funds (Memo Only)	001 General Fund	201 Si View/Tollgate Debt Service	202 Si View Interior Debt Service Fund
<b>Beginning Cash and Investments</b>					
30810	Reserved	23	-	-	23
30880	Unreserved	2,079,243	1,928,434	58,920	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	2,109,635	1,609,950	499,685	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	691,638	342,133	202	-
340	Charges for Goods and Services	1,514,346	1,514,346	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	169,806	166,605	2,393	1
Total Revenues:		4,485,424	3,633,033	502,280	1
<b>Expenditures</b>					
570	Culture and Recreation	2,700,434	2,699,209	1,196	0
Total Expenditures:		2,700,434	2,699,209	1,196	0
Excess (Deficiency) Revenues over Expenditures:		1,784,990	933,825	501,084	1
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	688,469	-	-	70,545
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	2,659	2,659	-	-
Total Other Increases in Fund Resources:		691,127	2,659	-	70,545
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	867,144	422,329	-	-
591-593, 599	Debt Service	538,795	-	468,227	70,568
597	Transfers-Out	688,469	625,685	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
Total Other Decreases in Fund Resources:		2,094,407	1,048,014	468,227	70,568
<b>Increase (Decrease) in Cash and Investments:</b>		<b>381,711</b>	<b>(111,530)</b>	<b>32,858</b>	<b>(22)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	0	-	-	0
5088000	Unreserved	2,460,975	1,816,904	91,777	-
<b>Total Ending Cash and Investments</b>		<b>2,460,975</b>	<b>1,816,904</b>	<b>91,777</b>	<b>0</b>

The accompanying notes are an integral part of this statement.

**Si View Metropolitan Park District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

		<u>300 Capital Projects Fund</u>
<b>Beginning Cash and Investments</b>		
30810	Reserved	-
30880	Unreserved	91,889
388 / 588	Prior Period Adjustments, Net	-
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	349,303
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	808
Total Revenues:		<u>350,111</u>
<b>Expenditures</b>		
570	Culture and Recreation	30
Total Expenditures:		<u>30</u>
Excess (Deficiency) Revenues over Expenditures:		350,081
<b>Other Increases in Fund Resources</b>		
391-393, 596	Debt Proceeds	-
397	Transfers-In	617,924
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	-
381, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		<u>617,924</u>
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	444,816
591-593, 599	Debt Service	-
597	Transfers-Out	62,784
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
Total Other Decreases in Fund Resources:		<u>507,599</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>460,406</b>
<b>Ending Cash and Investments</b>		
5081000	Reserved	-
5088000	Unreserved	552,295
<b>Total Ending Cash and Investments</b>		<b><u>552,295</u></b>

**Si View Metropolitan Park District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>201 Si View/Tollgate Debt Service</b>	<b>300 Capital Projects Fund</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	2,105,232	1,672,310	60,876	372,047
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,865,235	1,360,708	504,527	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	112,351	599	256	111,497
340	Charges for Goods and Services	1,363,895	1,363,895	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	131,254	129,135	1,610	483
Total Revenues:		<u>3,472,736</u>	<u>2,854,337</u>	<u>506,392</u>	<u>111,980</u>
<b>Expenditures</b>					
570	Culture and Recreation	2,405,424	2,394,446	1,555	9,422
Total Expenditures:		<u>2,405,424</u>	<u>2,394,446</u>	<u>1,555</u>	<u>9,422</u>
Excess (Deficiency) Revenues over Expenditures:		1,067,312	459,891	504,838	102,558
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	3,776,000	-	3,776,000	-
397	Transfers-In	198,849	3	-	136,306
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>3,974,849</u>	<u>3</u>	<u>3,776,000</u>	<u>136,306</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	515,405	67,463	-	447,942
591-593, 599	Debt Service	4,353,873	-	4,282,793	8,540
597	Transfers-Out	198,849	136,306	-	62,540
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
Total Other Decreases in Fund Resources:		<u>5,068,127</u>	<u>203,769</u>	<u>4,282,793</u>	<u>519,022</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(25,966)</b>	<b>256,125</b>	<b>(1,955)</b>	<b>(280,158)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	2,079,266	1,928,434	58,920	91,889
<b>Total Ending Cash and Investments</b>		<b><u>2,079,266</u></b>	<b><u>1,928,434</u></b>	<b><u>58,920</u></b>	<b><u>91,889</u></b>

The accompanying notes are an integral part of this statement.

**Si View Metropolitan Park District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

		<b>301 Capital Projects Fund - Si View/Tollgate</b>
<b>Beginning Cash and Investments</b>		
30810	Reserved	-
30880	Unreserved	-
388 / 588	Prior Period Adjustments, Net	-
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	26
Total Revenues:		26
<b>Expenditures</b>		
570	Culture and Recreation	0
Total Expenditures:		0
Excess (Deficiency) Revenues over Expenditures:		26
<b>Other Increases in Fund Resources</b>		
391-393, 596	Debt Proceeds	-
397	Transfers-In	62,540
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	-
381, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		62,540
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	62,540
597	Transfers-Out	3
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
Total Other Decreases in Fund Resources:		62,543
<b>Increase (Decrease) in Cash and Investments:</b>		<b>23</b>
<b>Ending Cash and Investments</b>		
5081000	Reserved	-
5088000	Unreserved	23
<b>Total Ending Cash and Investments</b>		<b>23</b>

# Si View Metropolitan Park District

## Notes to the Financial Statements

### For the Year Ended December 31, 2017

#### Note 1 – Summary of Significant Accounting Policies

The Si View Metropolitan Park District was incorporated on February 4, 2003 and operates under the laws of the state of Washington applicable to a special purpose park district form of government. The district is a special purpose local government and provides parks and recreation services.

The district reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

#### A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

#### GOVERNMENTAL FUND TYPES

##### General Fund

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

Debt Service Fund

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 Fund

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 and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Budgets

The district adopts annual appropriated budgets for all 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 Expenses	Variance
001 - General Fund			
General Fund	\$3,368,124.53	\$3,649,426.05	(\$281,301.52)
Revenue Stabilization Fund	\$8.00	\$13.57	(\$5.57)
Equipment Fund	\$68,502.00	\$57,461.64	\$11,040.36
Park Fund	\$28,002.00	\$39,653.68	(\$11,651.68)
Gift Card Fund	\$2.00	\$667.63	(\$665.63)
Total 001 - General Fund	\$3,464,638.53	\$3,747,222.57	(\$282,584.04)
201 – Si View/Tollgate Debt Service Fund	\$478,780.05	\$469,422.48	\$9,357.57
202 – Si View Interior Debt Service Fund	\$0	\$70,567.97	(\$70,567.97)
300 - Capital Projects Fund	\$1,072,975.35	\$507,628.69	\$565,346.66

The variance in the (001) General Fund (\$282,584.04) reflects the District's \$300,000 contribution towards the purchase of the Heartland property in North Bend. The purchase was a cooperative effort between the District, City of North Bend and other agencies to purchase/preserve the property for future recreation use. This was not a budgeted expense.

The variance in the (202) Si View Interior Debt Service Fund (\$70,567.97) reflects the debt service expense for the District's 2015 LTGO bonds. The debt service payment had previously been budgeted in a different fund.

The variance in the (300) Capital Projects Fund \$565,346.66 reflects capital projects that were budgeted, but not completed during the budget year.

Budgeted amounts are authorized to be transferred between departments within any fund or 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 District's legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to a maximum of 240 hours and is payable upon separation or retirement.

Sick leave may accumulate up to a maximum of 480 hours. Upon separation or retirement, any sick leave accumulated beyond 240 hours shall be paid to the employee's HRA VEBA account at the rate of ¼ of his/her existing pay.

Compensatory time off may be accumulated up to a maximum of 96 hours. Upon separation or retirement, unused compensatory time off shall be paid to the employee at the employee's final regular rate of pay.

Payments are recognized as expenditures when paid.

For 2017, the District's compensated absences liability is \$67,258. (Vacation leave - \$62,521; Sick leave - \$2,070; Compensatory time - \$2,667).

G. Long-Term Debt

See Note 5, Debt Service Requirements.

H. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the District. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts. The district did not have any reserved ending cash and investments for 2017.

**Note 2 – Deposits and Investments**

It is the district's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the District or its agent in the government's name.

Investments are reported at fair value. Investments by type at December 31, 2017 are as follows:

<u>Type of Investment</u>	<u>District's</u> own investments	<u>Investments held by</u> (district) as an agent for other local governments, individuals or private organizations.	<u>Total</u>
L.G.I.P.	\$2,460,750.43		\$2,460,750.43
TOTAL	\$2,460,750.43		\$2,460,750.43

**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 daily.

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

The District's regular levy for the year 2017 was \$.57765 per \$1,000 on an assessed valuation of \$2,796,054,848 for a total regular levy of \$1,615,147. Actual tax collected for the 2017 year was \$1,586,171 resulting in a percentage of property tax collected of 98.2%.

In 2017, the District also levied \$.178 per \$1,000 for debt service on a voter approved 2010 bond for an additional levy of \$498,216. Actual tax collected for the 2017 debt service levy was \$490,516 resulting in a percentage of property tax collected of 98.5%.

**Note 4 – Interfund Loans**

The District did not have any interfund loan activity during 2017.

**Note 5 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the district and summarizes the district’s debt transactions for the year ended December 31, 2017.

The debt service requirements for general obligation bonds are as follows:

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$399,000.00	\$148,603.10	\$547,603.10
2019	\$412,000.00	\$135,827.50	\$547,827.50
2020	\$425,000.00	\$123,384.30	\$548,384.30
2021	\$438,000.00	\$109,765.30	\$547,765.30
2022	\$449,000.00	\$99,281.00	\$548,281.00
2023	\$460,000.00	\$88,452.20	\$548,452.20
2024-2028	\$2,249,000.00	\$275,291.30	\$2,524,291.30
2029-2030	\$916,000.00	\$34,229.20	\$950,229.20
TOTALS	\$5,748,000.00	\$1,014,833.90	\$6,762,833.90

**Note 6 – Pension Plans**

State Sponsored Pension Plans

Substantially all the District’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 1, PERS 2 and PERS 3.

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](http://www.drs.wa.gov).

At June 30, 2017 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$40,469.00	.006728%	\$319,249.00
PERS 2 and 3	\$52,856.79	.008654%	\$300,685.00

### **Note 7 – Risk Management**

The Si View Metropolitan Park District is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 99 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) and pollution liability coverages are stand-alone policies which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through

Lexington Insurance Company and in 2017, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool’s Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

**Note 8 – GASB NO. 40 Disclosure Statement**

In accordance with State law, the District’s governing body has entered into a formal interlocal agreement with the district’s ex officio treasurer, King County, to have all its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool).

As of December 31, 2017, the district had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
King County Investment Pool	\$2,448,938.83	1.02 Years

**Impaired Investments.** As of December 31, 2017, all impaired commercial paper investments have completed enforcement events. The King County impaired investment pool (Impaired Pool) held one commercial paper asset where the Impaired Pool accepted an exchange offer and is receiving the cash flows from the investment’s underlying securities. The Impaired Pool also held the residual investments in two commercial paper asset that were part of completed enforcement events, where the Impaired Pool accepted the cash-out option. The District’s share of the impaired investment pool principal is \$622.05 and the District’s fair value of these investments is \$418.58.

**Interest Rate Risk.** As of December 31, 2017, the Pool’s average duration was 1.02 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average life, no longer than five years. While the Pool’s market value is calculated on a monthly basis, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

**Credit Risk.** As of December 31, 2017, the district’s investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, corporate note (rated at least “A”), municipal securities (rated at

least “A” by two NRSROs), commercial paper (rated at least the equivalent of “A-1” by two NRSROs), certificates of deposits issued by qualified public depositaries, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer’s office.

### **Note 9 – Health and Welfare**

The Si View Metropolitan Park District is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2017, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2017, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating

employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns.

# Si View Metropolitan Park District Notes to the Financial Statements For the Year Ended December 31, 2016

## **Note 1 – Summary of Significant Accounting Policies**

The Si View Metropolitan Park District was incorporated on February 4, 2003 and operates under the laws of the state of Washington applicable to a special purpose park district form of government. The district is a special purpose local government and provides parks and recreation services.

The district reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

### A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

#### GOVERNMENTAL FUND TYPES

##### General Fund

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

Debt Service Fund

This fund accounts 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 Fund

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 and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Budgets

The district adopts annual appropriated budgets for all 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 Expenses	Variance
001 - General Fund			
General Fund	\$2,640,924.26	\$2,551,107.71	\$89,816.55
Revenue Stabilization Fund	\$11.00	\$3.93	\$7.07
Equipment Fund	\$52,252.00	\$46,233.43	\$6,018.57
Park Fund	\$8,002.00	\$ .40	\$8,001.60
Gift Card Fund	\$2.00	\$870.04	(\$868.04)
Total 001 - General Fund	\$2,701,191.26	\$2,598,215.51	\$102,975.75
201 – Si View/Tollgate Debt Service Fund	\$503,432.50	\$4,284,348.10	(\$3,780,915.60)
300 - Capital Projects Fund	\$591,760.00	\$528,444.29	\$63,315.71
301 - Capital Projects Fund - Si View/Tollgate Bond	\$0.00	\$62,543.05	(\$62,543.05)

The variance in the (201) Si View/Tollgate Debt Service Fund (\$3,780,915.60) reflects the refinancing of the District's 2010 UTGO bonds (new money portion) to take

advantage of historically low interest rates. The 2010 voted bonds were issued on December 3, 2010 for the purpose of financing renovations to the Si View Community Center, improvements to District parks, and access and park improvements at Tollgate Farm. The 2010 voted bond interest rates were 4.35% to 4.75% for maturities of 2021 to 2030. The District selected JP Morgan Chase Bank for a direct purchased with a new fixed interest rate of 1.98% for the remaining 14 years. The refinancing will achieve total net savings of approximately \$325,833 over the life of the bonds.

The variance in the (301) Capital Projects Fund – Si View/Tollgate Bond (\$62,543.05) reflects the December 1, 2016 debt service payment on 2015 LTGO bonds. The payment was budgeted to come out of a different fund, however, King County (the District’s treasurer) posted the payment to the (301) fund instead. Funds were transferred to the fund to cover the payment.

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 district’s legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to a maximum of 240 hours and is payable upon separation or retirement.

Sick leave may accumulate up to a maximum of 480 hours. Upon separation or retirement, any sick leave accumulated beyond 240 hours shall be paid to the employee’s HRA VEBA account at the rate of ¼ of his/her existing pay.

Compensatory time off may be accumulated up to a maximum of 96 hours. Upon separation or retirement, unused compensatory time off shall be paid to the employee at the employee’s final regular rate of pay.

Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 5, Debt Service Requirements.

## H. Risk Management

The Si View Metropolitan Park District is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2016, 98 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2016, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

I. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the district. When expenditures that meet restrictions are incurred, the district intends to use reserved resources first before using unreserved amounts. The district did not have any reserved ending cash and investments for 2016.

**Note 2 – Deposits and Investments**

It is the district’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the district or its agent in the government’s name.

Investments are reported at fair value. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	<u>District’s own investments</u>	<u>Investments held by (district) as an agent for other local governments, individuals or private organizations.</u>	<u>Total</u>
L.G.I.P.	\$2,079,040.59		\$2,079,040.59
TOTAL	\$2,079,040.59		\$2,079,040.59

**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 daily.

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

The District's regular levy for the year 2016 was \$.40171 per \$1,000 on an assessed valuation of \$2,508,721,286 for a total regular levy of \$1,007,790. Actual tax collected for the 2016 year was \$985,648 resulting in a percentage of property tax collected of 97.8%.

The District also had a 2016 voter approved operations and maintenance levy of \$.14 per \$1,000 for an additional levy of \$359,524. Actual tax collected for the 2016 operations and maintenance levy was \$351,964 resulting in a percentage of property tax collected of 97.8%.

In 2016, the District also levied \$.201 per \$1,000 for debt service on a voter approved 2010 bond for an additional levy of \$506,924. Actual tax collected for the 2016 debt service levy was \$496,264 resulting in a percentage of property tax collected of 97.8%.

**Note 4 – Interfund Loans**

The District did not have any interfund loan activity during 2016.

**Note 5 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for the year ended December 31, 2016.

The debt service requirements for general obligation bonds are as follows:

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2017	\$378,000.00	\$160,794.50	\$538,794.50
2018	\$399,000.00	\$148,603.10	\$547,603.10
2019	\$412,000.00	\$135,827.50	\$547,827.50
2020	\$425,000.00	\$123,384.30	\$548,384.30
2021	\$438,000.00	\$109,765.30	\$547,765.30
2022	\$449,000.00	\$99,281.00	\$548,281.00
2023-2027	\$2,266,000.00	\$330,187.30	\$2,596,187.30
2028-2030	\$1,359,000.00	\$67,785.40	\$1,426,785.40
TOTALS	\$6,126,000.00	\$1,175,628.40	\$7,301,628.40

**Debt Refunding**

The district issued \$3,776,000 of general obligation refunding bonds to retire \$3,240,000 of existing 2010 UTGO bonds. This refunding was undertaken to reduce total debt service payments over the next 14 years by \$325,833. The financial statements reflect other financing sources of \$3,776,000 and other financing uses of \$3,775,267.72 pertaining to this transaction.

**Note 6 – Pension Plans**

**State Sponsored Pension Plans**

Substantially all district 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 2 and PERS 3.

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](http://www.drs.wa.gov).

At June 30, 2016 (the measurement date of the plans), the district’s proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

	Allocation %	Liability (Asset)
PERS 1 UAAL	.006335%	\$340,219.00
PERS 2 and 3	.008117%	\$408,685.00

**Note 7 – GASB NO. 40 Disclosure Statement**

In accordance with State law, the District’s governing body has entered into a formal interlocal agreement with the district’s ex officio treasurer, King County, to have all its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool).

As of December 31, 2016, the district had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
King County Investment Pool	\$2,074,674.61	1.10 Years

**Impaired Investments.** As of December 31, 2016, all impaired commercial paper investments have completed enforcement events. The King County impaired investment pool (Impaired Pool) held one commercial paper asset where the Impaired Pool accepted an exchange offer and is receiving the cash flows from the investment’s underlying securities. The Impaired Pool also held the residual investments in one commercial paper asset that was part of completed

enforcement events, where the Impaired Pool accepted the cash-out option. The District's share of the impaired investment pool principal is \$732.72 and the District's fair value of these investments is \$454.55.

**Interest Rate Risk.** As of December 31, 2016, the Pool's average duration was 1.10 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average life, no longer than five years. While the Pool's market value is calculated on a monthly basis, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

**Credit Risk.** As of December 31, 2016, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, corporate note (rated at least "A"), municipal securities (rated at least "A" by two NRSROs), commercial paper (rated at least the equivalent of "A-1" by two NRSROs), certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer's office.

#### **Note 8 – Proration**

Due to the state's mandated \$5.90 aggregate limit in conjunction with prior years declining property valuations, the District is subject to levy pro-rationing. The effects of pro-rationing were mitigated in 2016 due to the passage of two ballot issues approved in November 2011 and November 2015. The first ballot issue protects \$.25 per \$1,000 of assessed valuation for a period of six years. The second ballot issue provides a one-year maintenance and operations levy to preserve the majority of the District's tax funding. To preserve the current level of funding in future years, and until the current real estate tax situation/assessed valuation recovers, the District will either need to continue passage of one-year maintenance and operations levies, seek legislative relief or seek significant budget reductions.

**Si View Metropolitan Park District  
Schedule of Liabilities  
For the Year Ended December 31, 2017**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.12	2010 Bonds - Si View/Tollgate	12/1/2030	1,865,000	-	280,000	1,585,000
251.11	2015 Bonds - Si View Interior	12/1/2025	556,000	-	55,000	501,000
251.12	2016 Refunding Bonds	12/1/2030	3,705,000	-	43,000	3,662,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>6,126,000</b>	<b>-</b>	<b>378,000</b>	<b>5,748,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		61,831	5,427	-	67,258
264.30	Pension Liability		748,904	-	128,970	619,934
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>810,735</b>	<b>5,427</b>	<b>128,970</b>	<b>687,192</b>
<b>Total Liabilities:</b>			<b>6,936,735</b>	<b>5,427</b>	<b>506,970</b>	<b>6,435,192</b>

**Si View Metropolitan Park District  
Schedule of Liabilities  
For the Year Ended December 31, 2016**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.12	2010 Bonds - Si View/Tollgate	12/1/2030	5,380,000	-	3,515,000	1,865,000
251.11	2015 Bonds - Si View Interior	12/1/2025	610,000	-	54,000	556,000
251.12	2016 Refunding Bonds - Si View/Tollgate	12/1/2030	-	3,776,000	71,000	3,705,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>5,990,000</b>	<b>3,776,000</b>	<b>3,640,000</b>	<b>6,126,000</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		48,399	13,432	-	61,831
264.30	Pension Liability		584,790	164,114	-	748,904
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>633,189</b>	<b>177,546</b>	<b>-</b>	<b>810,735</b>
<b>Total Liabilities:</b>			<b>6,623,189</b>	<b>3,953,546</b>	<b>3,640,000</b>	<b>6,936,735</b>

## 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.

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>