Washington State Auditor's Office

Troy Kelley

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Financial Statements Audit Report

Si View Metropolitan Park District

King County

For the period January 1, 2011 through December 31, 2013

Published February 5, 2015

Report No. 1013563

Washington State Auditor
Troy Kelley

February 5, 2015

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,

Troy X. Kelley

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

TABLE OF CONTENTS

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
King County
January 1, 2011 through December 31, 2013

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, King County, Washington, as of and for the years ended December 31, 2013, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 28, 2015.

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.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

January 28, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Si View Metropolitan Park District
King County
January 1, 2011 through December 31, 2013

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, King County, Washington, for the years ended December 31, 2013, 2012 and 2011, 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 an opinion 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 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, 2013, 2012 and 2011, 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, 2013, 2012 and 2011, 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 an opinion on the financial statements taken as a whole. The accompanying 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 January 28, 2015 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.

Troy X. Kelley

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

January 28, 2015

FINANCIAL SECTION

Si View Metropolitan Park District
King County
January 1, 2011 through December 31, 2013

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions –2013
Fund Resources and Uses Arising from Cash Transactions –2012
Fund Resources and Uses Arising from Cash Transactions –2011
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2013
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2012
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2011
Notes to Financial Statements – 2013
Notes to Financial Statements – 2012
Notes to Financial Statements – 2011

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2013
Schedule of Liabilities – 2012
Schedule of Liabilities – 2011

Si View Metropolitan Park District

STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 General Fund	201 Si View/Tollgate Debt Service Fund	300 Capital Projects Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	3,164,094	0	0	0
30880	Beg Fund Bal-Unreserved	1,691,596	1,290,589	79,417	321,590
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	1,543,217	1,024,892	518,325	0
330	Intergovernmental Revenues	69,566	425	217	0
340	Charges for Goods and Services	996,022	996,022	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	82,920	67,708	916	1,307
Total Operating Revenues:		2,691,725	2,089,047	519,458	1,307
Operating Expenditures					
570	Culture And Recreation	1,714,456	1,713,794	492	43
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		1,714,456	1,713,794	492	43
Net Operating Increase (Decrease):		977,269	375,253	518,966	1,264
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	332,796	0	0	266,243
Total Nonoperating Revenues:		332,796			266,243
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	639,651	0	499,258	140,393
594-595	Capital Expenditures	1,383,603	29,426	0	30,400
597	Transfers-Out	332,796	266,243	57,178	9,375
Total Nonoperating Expenditures:		2,356,050	295,669	556,436	180,168
Increase (Decrease) in Cash and Investments		-1,045,985	79,584	-37,470	87,339
Ending Cash and Investments					
50810	End Fund Bal-Reserved	1,988,655	0	0	0
50880	End Fund Balance-Unreserved	1,821,049	1,370,173	41,947	408,929

The accompanying notes are an integral part of this Statement.

BARS Code		301 Capital Projects Fund - Si View/Tollgate Bond
Beginning Cash and Investments		
30810	Beg Fund Bal-Reserved	3,164,094
30880	Beg Fund Bal-Unreserved	0
38800/58800	Prior Period Adjustments, net	0
Operating Revenues		
310	Taxes	0
330	Intergovernmental Revenues	68,924
340	Charges for Goods and Services	0
350	Fines & Penalties	0
360	Miscellaneous Revenues	12,989
Total Operating Revenues:		81,913
Operating Expenditures		
570	Culture And Recreation	127
598	Intergovernmental Payments	0
Total Operating Expenditures:		127
Net Operating Increase (Decrease):		81,786
Nonoperating Revenues		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	66,553
Total Nonoperating Revenues:		66,553
Nonoperating Expenditures		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	1,323,777
597	Transfers-Out	0
Total Nonoperating Expenditures:		1,323,777
Increase (Decrease) in Cash and Investments		-1,175,438
Ending Cash and Investments		
50810	End Fund Bal-Reserved	1,988,655
50880	End Fund Balance-Unreserved	0

The accompanying notes are an integral part of this Statement.

MCAG NO. 2786

Si View Metropolitan Park District

STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds*	001 General Fund	201 Si View/Tollgate Debt Service Fund	300 Capital Projects Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	4,609,485	0	0	0
30880	Beg Fund Bal-Unreserved	1,746,514	1,031,025	386,646	328,843
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	1,539,804	1,022,213	517,591	0
330	Intergovernmental Revenues	147,069	422	57,397	0
340	Charges for Goods and Services	857,261	857,261	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	104,173	66,997	1,191	11,089
Total Operating Revenues:		2,648,307	1,946,893	576,179	11,089
Operating Expenditures					
570	Culture And Recreation	1,518,796	1,517,118	751	76
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		1,518,796	1,517,118	751	76
Net Operating Increase (Decrease):		1,129,511	429,775	575,428	11,013
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	523,062	0	0	141,743
Total Nonoperating Revenues:		523,062			141,743
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	643,081	0	501,338	141,743
594-595	Capital Expenditures	1,986,741	28,469	0	18,267
597	Transfers-Out	523,062	141,743	381,319	0
Total Nonoperating Expenditures:		3,152,884	170,212	882,657	160,010
Increase (Decrease) in Cash and Investments		-1,500,311	259,563	-307,229	-7,254
Ending Cash and Investments					
50810	End Fund Bal-Reserved	3,164,094	0	0	0
50880	End Fund Balance-Unreserved	1,691,595	1,290,588	79,417	321,589

The accompanying notes are an integral part of this Statement.

BARS Code		301 Capital Projects Fund - Si View/Tollgate Bond
Beginning Cash and Investments		
30810	Beg Fund Bal-Reserved	4,609,485
30880	Beg Fund Bal-Unreserved	0
38800/58800	Prior Period Adjustments, net	0
Operating Revenues		
310	Taxes	0
330	Intergovernmental Revenues	89,250
340	Charges for Goods and Services	0
350	Fines & Penalties	0
360	Miscellaneous Revenues	24,896
Total Operating Revenues:		114,146
Operating Expenditures		
570	Culture And Recreation	851
598	Intergovernmental Payments	0
Total Operating Expenditures:		851
Net Operating Increase (Decrease):		113,295
Nonoperating Revenues		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	381,319
Total Nonoperating Revenues:		381,319
Nonoperating Expenditures		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	1,940,005
597	Transfers-Out	0
Total Nonoperating Expenditures:		1,940,005
Increase (Decrease) in Cash and Investments		-1,445,391
Ending Cash and Investments		
50810	End Fund Bal-Reserved	3,164,094
50880	End Fund Balance-Unreserved	1

The accompanying notes are an integral part of this Statement.

Si View Metro Parks

MCAG #: 2786 STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For Year Ending: December 31, 2011 1 Of 2

BARS CODE		Total For All Funds Total Amount	001 - General Fund Actual Amount	201 - Si View/Tollgate Debt Service Fund Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	5,543,191.30	0.00	0.00
308.80	Unreserved	1,045,421.22	825,713.36	0.00
	Prior Period Adjustments (388.80 or 588.80)	0.00	0.00	0.00
Revenues and Other Sources:				
310	Taxes	1,675,445.04	1,169,810.06	505,634.98
320	Licenses and Permits	0.00	0.00	0.00
330	Intergovernmental	722.12	499.74	222.38
340	Charges for Goods and Services	850,729.86	850,729.86	0.00
350	Fines and Penalties	0.00	0.00	0.00
360	Miscellaneous	113,809.55	78,133.34	822.05
370	Capital Contributions	0.00	0.00	0.00
390	Other Financing Sources	297,961.00	0.00	0.00
	Total Revenues and Other Financing Sources	2,938,667.57	2,099,173.00	506,679.41
	Total Resources	*9,527,280.09*	*2,924,886.36*	*506,679.41*
Operating Expenditures				
510	General Government	470,772.76	451,518.69	62.31
520	Public Safety	0.00	0.00	0.00
530	Physical Environment	0.00	0.00	0.00
540	Transportation	0.00	0.00	0.00
550	Economic Environment	28,671.17	28,671.17	0.00
560	Mental and Physical Health	0.00	0.00	0.00
570	Culture and Recreational	1,088,826.61	1,088,826.61	0.00
	Total Operating Expenditures	1,588,270.54	1,569,016.47	62.31
591-593	Debt Service	644,382.90	0.00	119,970.76
594-595	Capital Outlay	640,666.30	26,884.29	0.00
	Total Expenditures	2,873,319.74	1,595,900.76	120,033.07
597-599	Other Financing Uses	297,961.00	297,961.00	0.00
	Total Expenditures and Other Financing Uses	*3,171,280.74*	*1,893,861.76*	*120,033.07*
Excess (Deficit) of Resources Over Uses		**6,355,999.35**	**1,031,024.60**	**386,646.34**
380	Nonrevenues (Except 384)	0.00	0.00	0.00
580	Nonexpenditures (Except 584)	0.00	0.00	0.00
Ending Cash and Investments:				
508.10	**Reserved**	**4,609,485.34**	**0.00**	**0.00**
508.80	**Unreserved**	**1,746,514.01**	**1,031,024.60**	**386,646.34**

The accompanying notes are an integral part of this Statement

Si View Metro Parks

MCAG #: 2786 STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For Year Ending: December 31, 2011 2 Of 2

BARS CODE		300 - Capital Projects Fund Actual Amount	301 - Capital Projects Fund - Si View/Tollgate Actual Amount	Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	0.00	5,543,191.30	0.00
308.80	Unreserved	219,707.86	0.00	0.00
	Prior Period Adjustments (388.80 or 588.80)	0.00	0.00	0.00
Revenues and Other Sources:				
310	Taxes	0.00	0.00	0.00
320	Licenses and Permits	0.00	0.00	0.00
330	Intergovernmental	0.00	0.00	0.00
340	Charges for Goods and Services	0.00	0.00	0.00
350	Fines and Penalties	0.00	0.00	0.00
360	Miscellaneous	1,129.10	33,725.06	0.00
370	Capital Contributions	0.00	0.00	0.00
390	Other Financing Sources	297,961.00	0.00	0.00
	Total Revenues and Other Financing Sources	299,090.10	33,725.06	0.00
	Total Resources	*518,797.96*	*5,576,916.36*	*0.00*
Operating Expenditures				
510	General Government	23.94	19,167.82	0.00
520	Public Safety	0.00	0.00	0.00
530	Physical Environment	0.00	0.00	0.00
540	Transportation	0.00	0.00	0.00
550	Economic Environment	0.00	0.00	0.00
560	Mental and Physical Health	0.00	0.00	0.00
570	Culture and Recreational	0.00	0.00	0.00
	Total Operating Expenditures	23.94	19,167.82	0.00
591-593	Debt Service	143,093.39	381,318.75	0.00
594-595	Capital Outlay	46,837.56	566,944.45	0.00
	Total Expenditures	189,954.89	967,431.02	0.00
597-599	Other Financing Uses	0.00	0.00	0.00
	Total Expenditures and Other Financing Uses	*189,954.89*	*967,431.02*	*0.00*
Excess (Deficit) of Resources Over Uses		**328,843.07**	**4,609,485.34**	**0.00**
380	Nonrevenues (Except 384)	0.00	0.00	0.00
580	Nonexpenditures (Except 584)	0.00	0.00	0.00
Ending Cash and Investments:				
508.10	**Reserved**	**0.00**	**4,609,485.34**	**0.00**
508.80	**Unreserved**	**328,843.07**	**0.00**	**0.00**

The accompanying notes are an integral part of this Statement

Si View Metropolitan Park District

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds	633 Gift Card Fund
308	Beginning Cash and Investments	1,070	1,070
388 and 588	Prior Period Adjustments, net	0	0
310-360	Revenues	2	2
380-390	Other Increases and Financing Sources	1,210	1,210
510-570	Expenditures	0	0
580-590	Other Decreases and Financing Uses	753	753
Increase (Decrease) in Cash and Investments		459	459
508	Ending Cash and Investments	1,529	1,529

The accompanying notes are an integral part of this Statement.

Si View Metropolitan Park District

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds	633 Gift Card Fund
308	Beginning Cash and Investments	730	730
388 and 588	Prior Period Adjustments, net	0	0
310-360	Revenues	3	3
370-390	Other Increases and Financing Sources	819	819
510-570	Expenditures	0	0
580-590	Other Decreases and Financing Uses	482	482
Increase (Decrease) in Cash and Investments		340	340
508	Ending Cash and Investments	1,070	1,070

The accompanying notes are an integral part of this Statement.

Si View Metro Parks

MCAG #: 2786 STATEMENT C-5

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For Year Ending: December 31, 2011 1 Of 1

BARS CODE		Total For All Funds Total Amount	633 - Gift Card Fund Actual Amount	Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	0.00	0.00	0.00
308.80	Unreserved	115.00	115.00	0.00
	Prior Period Adjustments (388.80 and 588.80)	0.00	0.00	0.00
	Total Revenues and Other Financing Sources	2.22	2.22	0.00
	Total Resources	*117.22*	*117.22*	*0.00*
	Total Expenditures and Other Financing Uses	*0.17*	*0.17*	*0.00*
Excess (Deficit) of Resources Over Uses		**117.05**	**117.05**	**0.00**
380	Nonrevenues (Except 384)	1,074.00	1,074.00	0.00
580	Nonexpenditures (Except 584)	461.00	461.00	0.00
Ending Cash and Investments:				
508.10	**Reserved**	**0.00**	**0.00**	**0.00**
508.80	**Unreserved**	**730.05**	**730.05**	**0.00**

The accompanying notes are an integral part of this Statement

Si View Metropolitan Park District
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is 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 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 general purpose government and provides parks and recreation services. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES

General (Current Expense) Fund

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

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.

FIDUCIARY FUND TYPES

Agency Fund

These funds are used to account for assets that the District holds for others in an agency capacity.

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 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	$2,045,533.87	$2,007,933.72	$37,600.15
Revenue Stabilization Fund	$32.25	$13.45	$18.80
Equipment Fund	$8,848.00	$21,509.51	($12,661.51)
Park Fund	$6.00	$4.11	$1.89
Total 001 - General Fund	$2,054,420.12	$2,029,460.79	$24,959.33
201 – Si View/Tollgate Debt Service Fund	$499,882.50	$556,927.55	($57,045.05)
300 - Capital Projects Fund	$158,023.40	$180,210.58	($22,187.18)
301 - Capital Projects Fund - Si View/Tollgate Bond	$2,835,244.02	$1,323,904.34	$1,511,339.68
633 – Gift Card Fund	$0	$752.99	($752.99)

The variance in the Equipment Fund ($12,661.51) reflects the purchase of a floor scrubber/vacuum machine was not budgeted.

The variance in the Si View/Tollgate Debt Service Fund ($57,045.05) reflects a $57,177.62 transfer from the (201) Si View/Tollgate Debt Service Fund to the (301) Capital Projects Fund – Si View/Tollgate Bond. This transfer was to move park impact fees received from the city of North Bend to the Si View/Tollgate capital project fund.

The variance in the Capital Projects Fund ($22,187.18) reflects capital expenditures for pool repair projects that were not projected in the current budget.

The (633) Gift Card Fund is being included for illustrative purposes only and is not a regularly budgeted fund of the District. The fund exists as a pass-through fund to record gift card sales (non-revenues) and redemptions (non expenditures). The only actual income and expense run through this fund is earned interest and King County administrative and cash management fees.

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

It is the District'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 District deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation, and/or the Washington Public Deposit Protection Commission.

f. Investments See Note 2, Investments

g. Derivatives And Similar Transactions

The District did not engage in any derivative transactions.

h. 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. The capital assets of the District are recorded as expenditures when purchased.

i. 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 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 of retirement, unused compensatory time off shall be paid to the employee at the employee's final regular rate of pay.

j. Long-Term Debt See Note 5, Debt Service Requirements.

k. Other Financing Sources Or Uses

The Si View Metropolitan Park District's "Other Financing Sources or Uses" consist of Transfers-in and out between funds.

l. 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, 2013, 91 municipalities/entities participate in the 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 reinsurance 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 $10 million in both per occurrence and aggregate liability limits. For the first $1 million, AWC RMSA pays out of its own funds all claims up to its Self-Insured Retention (SIR) of $250,000 and, thereafter, purchased liability re-insurance through Berkley Public Entity of $750,000. For the additional $9 million in coverage limits, an excess liability policy is purchased from CV Starr. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. AWC RMSA is a retention of $50,000 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.

m. Reserved Fund Balance

The District's (301) Capital Projects Fund – Si View/Tollgate Bond has a year-end reserved fund balance in the amount of $1,988,655.30. The purpose of the $6.69 million Si View/Tollgate bond was to pay costs of renovation and preservation of Si View Community Center, parks and trail improvements, and access and park improvements at Tollgate Farm, and to refund and defease the District's Limited Tax General Obligation Bonds, 2009.

NOTE 2 – INVESTMENTS

The District's investments are either insured, registered or held by the District or its agent in the District's name.

Investments are presented at actual cash value.

Investments by type at December 31, 2013 are as follows:

Type of Investment	District's **own** investments	Investments held by (district) as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	$3,809,706.80	$1,529.09	$3,811,235.89
TOTAL	$3,809,706.80	$1,529.09	$3,811,235.89

NOTE 3 – PROPERTY TAX

The King 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 2013 was $.52 per $1,000 on an assessed valuation of $1,976,914,346 for a total regular levy of $1,021,889.

In 2013, the District levied also $.26 per $1,000 for debt service on 2010 bond for a total additional levy of $518,020.

NOTE 4 – INTERFUND LOANS AND ADVANCES

The District did not have any interfund loan activity during 2013.

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long-Term 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, 2013.

The debt service requirements for general obligation bonds and loan obligations including both principal and interest, are as follows:

Year	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2013	$499,257.50	$0	$140,393.40	$639,650.90
2014	$501,137.50	$0	$0	$501,137.50
2015	$496,897.50	$0	$0	$496,897.50
2016	$501,862.50	$0	$0	$501,862.50
2017	$499,987.50	$0	$0	$499,987.50
2018	$500,187.50	$0	$0	$500,187.50
2019-2023	$2,501,225.00	$0	$0	$2,501,225.00
2024-2028	$2,498,262.50	$0	$0	$2,498,262.50
2029-2030	$996,737.50	$0	$0	$996,737.50
TOTALS	$8,995,555.00	$0	$140,393.40	$9,135,948.40

NOTE 6 – PENSION PLANS

Substantially all District full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), 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 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements 27, *Accounting for Pensions by State and Local Government Employers* and 50, *Pension Disclosures, an Amendment of GASB Statements 25 and 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to chose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members of PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is $350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 members who have at least 20 years of service credit, and are 55 years of age or older, are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 1, 2013:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before Age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' fiscal year 2013, PERS Plan 3 employee contributions were $99.0 million, and plan refunds paid out were $69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, and were hired before May 1, 2013, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	82,242
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Members Non-vested	44,273
Total	**263,347**

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are as follows:

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%**	9.21%**	9.21%***
Employee	6.00%****	4.92%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.18%.
** The employer rate for state elected officials is 13.73% for Plan 1 and 9.21% for Plan 2 and Plan 3.
*** Plan 3 defined benefit portion only.
**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.92% for Plan 2.
***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	11.71%	11.71%	11.71%**
Employer-Local Government*	9.21%	9.21%	9.21%**
Employee-State Agency	9.76%	9.80%	7.50%***
Employee-Local Government	12.26%	12.30%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.18%.
** Plan 3 defined benefit portion only.
***Minimum rate.

Both Si View Metropolitan Park District and the employees made the required contributions. The District's required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2013	$0	$33,233.91	$13,614.15
2012	$0	$25,757.06	$11,550.42
2011	$0	$20,181.18	$11,387.38

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, 2013, the district had the following investments:

Investment Type	Fair Value	Effective Duration
King County Investment Pool	$3,803,994.54	1.23 Years

Impaired Investments. As of December 31, 2013, 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 four commercial paper assets 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 $1,880.06 and the District's fair value of these investments is $1,115.10.

Interest Rate Risk. As of December 31, 2013, the Pool's average duration was 1.23 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, 2013, 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, 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 8 – PRORATION

Due to the state's mandated $5.90 aggregate limit in conjunction with declining property valuations, the District is subject to levy pro-rationing. The effects of pro-rationing were mitigated in 2013 due to the passage of two ballot issues approved in November 2011 and November 2012. 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
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is 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 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 general purpose government and provides parks and recreation services. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES

General (Current Expense) Fund

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

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.

FIDUCIARY FUND TYPES

Agency Fund

These funds are used to account for assets that the District holds for others in an agency capacity.

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.

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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 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	$1,740,906.62	$1,667,736.56	$73,170.06
Revenue Stabilization Fund	$20.00	$19.65	$.35
Equipment Fund	$38,010.00	$19,191.05	$18,818.95
Park Fund	$6.00	$380.58	($374.58)
Total 001 - General Fund	$1,778,942.62	$1,687,327.84	$91,614.78
201 – Si View/Tollgate Debt Service Fund	$501,387.50	$883,407.34	($382,019.84)
300 - Capital Projects Fund	$184,813.40	$160,085.44	$24,727.96
301 - Capital Projects Fund - Si View/Tollgate Bond	$245,046.07	$1,940,856.06	($1,695,809.99)
633 – Gift Card Fund	$0	$.09	$.09

The variance in the Park Fund ($374.58) reflects the purchase of pedestrian safety sign that was not budgeted.

The variance in the Si View/Tollgate Debt Service Fund ($382,019.84) reflects a $381,318.75 transfer from the (201) Si View/Tollgate Debt Service Fund to the (301) Capital Projects Fund – Si View/Tollgate Bond. This transfer was to correct a December 2011 King County posting error. King County took the December 2011 bond debt service payment from the (301) fund rather than the (201) fund in error. This transfer replaced the funds taken from the (301) fund in error.

The variance in the Capital Projects Fund ($1,695.809.99) reflects capital expenditures for the Si View Park project. These expenditures were not in the 2012 budget because the project had not yet been bid and staff did not have an accurate estimate from which to budget.

The (633) Gift Card Fund is being included for illustrative purposes only and is not a regularly budgeted fund of the District. The fund exists as a pass-through fund to record gift card sales (non-revenues) and redemptions (non expenditures). The only actual income and expense run through this fund is earned interest and King County administrative and cash management fees.

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

It is the District'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 District deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation, and/or the Washington Public Deposit Protection Commission.

f. Investments See Note 2, Investments

g. Derivatives And Similar Transactions

The District did not engage in any derivative transactions.

h. 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. The capital assets of the District are recorded as expenditures when purchased.

i. 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 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 of retirement, unused compensatory time off shall be paid to the employee at the employee's final regular rate of pay.

j. Long-Term Debt See Note 5, Debt Service Requirements.

k. Other Financing Sources Or Uses

The Si View Metropolitan Park District's "Other Financing Sources or Uses" consist of Transfers-in and out between funds.

l. 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, 2012, 91 municipalities/entities participate in the 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 boiler and machinery insurance coverage. Boiler and machinery is included with the property reinsurance carrier and employee fidelity coverage is a stand-alone policy that the AWC RMSA arranges for its members. The AWC RMSA also allows members 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. AWC RMSA, itself, pays out of its own funds all claims up to $250,000 for liability and $50,000 for property, and thereafter purchases excess liability insurance through ACE Insurance Company up to $1 million, and CV Starr, from $1 million to $10 million. The excess property coverage is purchased through Lexington with limits up to $250 million, using the Pool's broker, Arthur J. Gallagher Risk Management Services. Since AWC RMSA is a cooperative program, there is a joint liability among the participating member.

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.

m. Reserved Fund Balance

The District's (301) Capital Projects Fund – Si View/Tollgate Bond has a year-end reserved fund balance in the amount of $3,164,093.75. The purpose of the $6.69 million Si View/Tollgate bond was to pay costs of renovation and preservation of Si View Community Center, parks and trail improvements, and access and park improvements at Tollgate Farm, and to refund and defease the District's Limited Tax General Obligation Bonds, 2009.

NOTE 2 – INVESTMENTS

The District's investments are either insured, registered or held by the District or its agent in the District's name.

Investments are presented at actual cash value.

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

Type of Investment	District's **own** investments	Investments held by (district) as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	$4,855,689.84	$1,069.66	$4,856,759.50
TOTAL	$4,855,689.84	$1,069.66	$4,856,759.50

NOTE 3 – PROPERTY TAX

The King 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 2012 was $.48 per $1,000 on an assessed valuation of $2,096,228,068 for a total regular levy of $1,014,764.31.

In 2012, the District levied also $.24 per $1,000 for debt service on 2010 bond for a total additional levy of $521,378.26.

NOTE 4 – INTERFUND LOANS AND ADVANCES

The District did not have any interfund loan activity during 2012.

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long-Term 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, 2012.

The debt service requirements for general obligation bonds and loan obligations including both principal and interest, are as follows:

Year	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2012	$501,337.50	$0	$141,743.40	$643,080.90
2013	$499,257.50	$0	$140,393.40	$639,650.90
2014	$501,137.50	$0	$0	$501,137.50
2015	$496,897.50	$0	$0	$496,897.50
2016	$501,862.50	$0	$0	$501,862.50
2017	$499,987.50	$0	$0	$499,987.50
2018-2022	$2,500,467.50	$0	$0	$2,500,467.50
2023-2027	$2,499,370.00	$0	$0	$2,499,370.00
2028-2030	$1,496,575.00	$0	$0	$1,496,575.00
TOTALS	$9,496,892.50	$0.00	$282,136.80	$9,779,029.30

NOTE 6 – PENSION PLANS

Substantially all District full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), 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 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; employees of district and municipal courts; and employees of local governments. Approximately 50 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to chose within 90 days default to Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members of PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.)
The monthly benefit is subject to a minimum for retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a

survivor option is chosen, the benefit is reduced. Plan 1 members retiring from inactive status prior to the age of 65 may also receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of the annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is $350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

The survivor of a PERS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. The surviving spouse or eligible child(ren) of a PERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For DRS' fiscal year 2012, PERS Plan 3 employee contributions were $95.2 million, and plan refunds paid out were $66.2 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions.

PERS Plan 2 and Plan 3 members who become totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

PERS Plan 2 and Plan 3 members can purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Members who chose to participate would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC; stop contributing to the Judicial Retirement Account (JRA); pay higher contributions; and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; not be subject to a benefit cap; continue to participate in JRA, if applicable; continue to pay contributions at the regular PERS rate; and never be a participant in the JBM Program.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,184 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Non-vested	46,839
Total	**261,705**

<u>Funding Policy</u>
Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent, based on member choice. Two of the options are graduated rates dependent on the employee's age.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.21%**	7.21%**	7.21%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.
** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.
*** Plan 3 defined benefit portion only.
**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.
***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	9.71%	9.71%	9.71%**
Employer-Local Government*	7.21%	7.21%	7.21%**
Employee-State Agency	9.76%	9.10%	7.50%***
Employee-Local Government	12.26%	11.60%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.16%.
** Plan 3 defined benefit portion only.
***Minimum rate.

Both Si View Metropolitan Park District and the employees made the required contributions. The District's required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2012	$0	$25,757.06	$11,550.42
2011	$0	$20, 181.18	$11,387.38
2010	$0	$14,540.95	$11, 440.06

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, 2012, the district had the following investments:

Investment Type	Fair Value	Effective Duration
King County Investment Pool	$4,872,301.13	1.36 Years

Impaired Investments. As of December 31, 2012, 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 four commercial paper assets 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 $1,791.57 and the District's fair value of these investments is $877.24.

Interest Rate Risk. As of December 31, 2012, the Pool's average duration was 1.36 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, 2012, 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, 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 8 – PRORATION

Due to the state's mandated $5.90 aggregate limit in conjunction with declining property valuations, the District is subject to levy pro-rationing. The effects of pro-rationing were mitigated in 2012 due to the passage of two ballot issues approved in November 2011. 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
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is 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 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 with an elected commission of five District residents. The District is a general purpose government and provides parks and recreation services. The District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES

General (Current Expense) Fund

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

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.
FIDUCIARY FUND TYPES

Agency Fund

These funds are used to account for assets that the District holds for others in an agency capacity.

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 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	$2,017,883.92	$1,877,825.14	$140,058.78
Revenue Stabilization Fund	$14.00	$13.33	$.67
Equipment Fund	$26,007.00	$5,165.16	$20,841.84
Park Fund	$13,004.00	$10,858.13	$2,145.87
Total 001 - General Fund	$2,056,908.92	$1,893,861.76	$163,047.16
002 – Si View/Tollgate Debt Service Fund		$120,033.07	($120,033.07)
300 - Capital Projects Fund	$255,663.40	$189,954.89	$65,708.51
301 - Capital Projects Fund - Si View/Tollgate Bond	$1,253,997.96	$967,431.02	$286,566.94

The variance in the Si View/Tollgate Debt Service Fund (120,033.07) reflects debt service payments on 2010 Si View/Tollgate Bond proceeds. The 2011 debt service amount was not known until after the passage of the 2011 budget. The variance is offset with the collection of dedicated debt service property tax revenue in the amount of $505,634.98.

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

It is the District'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 District deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation, and/or the Washington Public Deposit Protection Commission.

f. Investments See Note 3

g. Derivatives And Similar Transactions

The District did not engage in any derivative transactions.

h. Capital Assets

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

i. 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 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 of retirement, unused compensatory time off shall be paid to the employee at the employee's final regular rate of pay.

j. Long-Term Debt See Note 6

k. Other Financing Sources Or Uses

The Si View Metropolitan Park District's "Other Financing Sources or Uses" consist of Transfers-in and out between funds.

l. 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, 2011, 86 municipalities/entities participate in the 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 boiler and machinery insurance coverage. Boiler and machinery is included with the property reinsurance carrier and employee fidelity coverage is a stand-alone policy that the AWC RMSA arranges for its members. The AWC RMSA also allows members 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. AWC RMSA, itself, pays out of its own funds all claims up to $250,000 for liability and $50,000 for property, and thereafter purchases excess liability insurance through ACE Insurance Company up to $1 million, and CV Starr, from $1 million to $10 million. The excess property coverage is purchased through Lexington with limits up to $250 million, using the Pool's broker, Arthur J. Gallagher Risk Management Services. AWC RMSA is a cooperative program; the members of the AWC RMSA are jointly liable.

Members contract to remain in the RMSA Pool 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 Interlocal Governmental Agreement was revised in 2009 and approved by membership in 2010. In accordance with WAC 82.60.02023, the Pool elected its first Board of Directors, comprised of elected officials that are members of AWC RMSA, elected at large.

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.

The specific financials of the AWC RMSA can be obtained from the AWC RMSA Annual Report on file with the Si View Metropolitan Park District.

m. Reserved Fund Balance

The District's (301) Capital Projects Fund – Si View/Tollgate Bond has a year-end reserved fund balance in the amount of $4,609,485.34. The purpose of the $6.69 million Si View/Tollgate bond was to pay costs of renovation and preservation of Si View Community Center, parks and trail improvements, and access and park improvements at Tollgate Farm, and to refund and defease the District's Limited Tax General Obligation Bonds, 2009.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

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

There have been no expenditures exceeding legal appropriations in any of the funds of the District.

NOTE 3 – INVESTMENTS

The District's investments are either insured, registered or held by the District or its agent in the District's name.

Investments are presented at actual cash value.

Investments by type at December 31, 2011 are as follows:

Type of Investment	District's **own** investments	Investments held by (district) as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	$6,356,729.40	$0	$6,356,729.40
TOTAL	$6,356,729.40	$0	$6,356,729.40

NOTE 4 – PROPERTY TAX

The King 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 2011 was $.55 per $1,000 on an assessed valuation of $2,134,707,626 for a total regular levy of $1,183,529.00.

In 2011, the District levied also $.24 per $1,000 for debt service on 2010 bond for a total additional levy of $505,487.98.

NOTE 5 – INTERFUND LOANS AND ADVANCES

The District did not have any interfund loan activity during 2011.

NOTE 6 – LONG TERM DEBT

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liability of the District and summarizes the District's debt transactions for the year 2011. The debt service payment for the fiscal year being reported and future payment requirements, including interest, are as follows:

Year	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2011	$501,289.51	$0	$143,093.40	$644,382.91
2012	$501,337.50	$0	$141,743.40	$643,080.90
2013	$499,257.50	$0	$140,393.40	$639,650.90
2014	$501,137.50	$0	$0	$501,137.50
2015	$496,897.50	$0	$0	$496,897.50
2016	$501,862.50	$0	$0	$501,862.50
2017-2021	$2,499,937.50	$0	$0	$2,499,937.50
2022-2026	$2,500,337.50	$0	$0	$2,500,337.50
2027-2031	$1,996,125.00	$0	$0	$1,996,125.00
TOTALS	$9,998,182.01	$0.00	$425,230.20	$10,423,412.21

NOTE 7 – PENSION PLANS

Substantially all District full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), 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 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement System); employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is $350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon contributions and the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

Judicial Benefit Multiplier

During January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC, pay higher contributions; stop contributing to the Judicial Retirement Account (JRA); and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,197 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010:

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Members Nonvested	51,005
Total	**262,285**

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent, based on member choice. Two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

Members not participating in JBM:

	PERS Plan 1	**PERS Plan 2**	**PERS Plan 3**
Employer*	7.25%**	7.25%**	7.25%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.
** The employer rate for state elected officials is 10.80% for Plan 1 and 7.25% for Plan 2 and Plan 3.
*** Plan 3 defined benefit portion only.
**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.
***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	9.75%	9.75%	9.75%**
Employer-Local Government*	7.25%	7.25%	7.25%**
Employee-State Agency	9.76%	9.10%	7.50%***
Employee-Local Government	12.26%	11.60%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.16%.
** Plan 3 defined benefit portion only.
***Minimum rate.

Both Si View Metropolitan Park District and the employees made the required contributions. The District's required contributions for the years ending December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2011	$0	$20,181.18	$11,387.38
2010	$0	$14,540.95	$11,440.06
2009	$0	$17,934.58	$15,824.45

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, 2011, the district had the following investments:

Investment Type	Fair Value	Effective Duration
King County Investment Pool	$6,372,621.22	0.72 Years

Impaired Investments. As of December 31, 2011, 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 four commercial paper assets 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 $2,303.47 and the District's fair value of these investments is $1,008.83.

Interest Rate Risk. As of December 31, 2011, the Pool's average duration was 0.72 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, 2011, 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, 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 – PRORATION

Due to passed legislation that exempted the King County Flood Control District from the $5.90 aggregate limit, the District will be subject to pro-rationing beginning in 2012. The effects of pro-rationing will be mitigated in 2012 due to the passage of two ballot issues approved in November 2011. 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.

MCAG NO. 2786

Schedule 09

Si View Metropolitan Park District

Schedule of Liabilities

For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	263.96	Local Program - Esco	12/1/2013	91,123	0	91,123	0
	263.96	Local Program - House	12/1/2013	45,000	0	45,000	0
	251.12	2010 Bonds - Si View/Tollgate	12/1/2030	6,170,000	0	260,000	5,910,000
	259.11	Compensated Absences		37,774	10,050	0	47,824
			Total General Obligations:	**6,343,897**	**10,050**	**396,123**	**5,957,824**
			Total Liabilities:	**6,343,897**	**10,050**	**396,123**	**5,957,824**

The accompanying notes to the financial statements are an integral part of this schedule

MCAG NO. 2786

Schedule 09

Si View Metropolitan Park District

Schedule of Liabilities

For the year ended December 31, 2012

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2012	Additions	Reductions	Ending Balance December 31, 2012
General Obligations							
	263.96	Local Program - Esco	12/1/2013	178,627	0	87,504	91,123
	263.96	Local Program - House	12/1/2013	90,000	0	45,000	45,000
	251.12	2010 Bonds - Si View/Tollgate	12/1/2030	6,430,000	0	260,000	6,170,000
	259.11	Compensated Absences		46,204	0	8,430	37,774
			Total General Obligations:	**6,744,831**	**0**	**400,934**	**6,343,897**
			Total Liabilities:	**6,744,831**	**0**	**400,934**	**6,343,897**

The accompanying notes to the financial statements are an integral part of this schedule

MCAG NO. 2786 | Schedule 09

Si View Metropolitan Park District

Schedule of Liabilities

For the year ended December 31, 2011

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2011	Additions	Reductions	Ending Balance December 31, 2011
General Obligations							
	263.96	LOCAL Program - Esco	12/1/2013	262,656	0	84,029	178,627
	263.96	LOCAL Program - House	12/1/2013	135,000	0	45,000	90,000
	251.12	2010 Bonds - Si View/Tollgate	12/1/2030	6,690,000	0	260,000	6,430,000
	259.11	Compensated Absences		41,860	4,344	0	46,204
			Total General Obligations:	**7,129,516**	**4,344**	**389,029**	**6,744,831**
			Total Liabilities:	**7,129,516**	**4,344**	**389,029**	**6,744,831**

The accompanying notes to the financial statements are an integral part of this schedule

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.

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