

ANNUAL REPORT CERTIFICATION

King County Fire Protection District #43

MCAG No 2533

Submitted pursuant to RCW 43.09.230 to the STATE AUDITOR'S OFFICE

For the Year Ended December 31, 2013

GOVERNMENT INFORMATION

Official Mailing Address 23775 SE 264th St Maple Valley WA 98038

Official Web Site Address www.maplevalleyfire.org

Official Email Address mdeleon@maplevalleyfire.org

Official Phone Number 425-432-0200

PREPARER INFORMATION & CERTIFICATION

Preparer Name & Title Michele de Leon, Office Manager

Contact Phone Number 425-432-0200

Contact Email Address mdeleon@maplevalleyfire.org

I do hereby certify 2nd day of December 2014 that the annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification.

Moreover, I acknowledge and understand that management and the governing body are responsible for:

- The design and implementation of policies and procedures to safeguard public resources and ensure compliance with applicable laws and regulations, including internal controls to prevent and detect fraud.
- Compliance with applicable state and local laws and regulations.
- Immediately submitting corrected annual report information if any error in submitted information is subsequently identified.

Preparer Signature

Michele de Leon

King County Fire Protection District #43
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

Code	Description	All Funds	001 GEN	201 DEBT	301 CAP	302 CAP_2
308.1	Reserved	2,442,458		239,892	2,202,565	
308.8	Unreserved	2,996,453	2,996,453			
388,588	Prior Period Adjustments, net	4,800	4,800			
	BEGINNING CASH & INVESTMENTS	5,443,711	3,001,253	239,892	2,202,565	
310	Taxes	6,907,834	5,964,242	943,592		
320	Licenses and Permits					
330	Intergovernmental Revenues	449,677	449,677			
340	Charges for Goods and Services	896,011	896,011			
350	Fines and Penalties					
360	Miscellaneous Revenues	68,481	53,110	4,401	10,919	51
	OPERATING REVENUES	8,322,003	7,363,040	947,994	10,919	51
520	Public Safety	7,803,266	7,803,266			
	OPERATING EXPENDITURES	7,803,266	7,803,266			
	OPERATING INCREASE/DECREASE	518,738	-440,226	947,994	10,919	51
391-393	Debt Proceeds					
3XX	Other Financing Sources	336,062	336,062			
397	Transfers-In	739,456	307		432,037	307,112
	NONOPERATING REVENUES	1,075,518	336,369		432,037	307,112
591-593	Debt Service	934,461		934,160	301	
594	Capital Expenditures	1,126,481			1,126,481	
5XX	Other Financing Uses					
597	Transfers-Out	739,456	739,149		307	
	NONOPERATING EXPENDITURES	2,800,399	739,149	934,160	1,127,089	
	TOTAL INCREASE/DECREASE	-1,206,143	-843,007	13,833	-684,133	307,164
508.1	Reserved	2,079,321		253,725	1,518,432	307,164
508.8	Unreserved	2,158,246	2,158,246			
	ENDING CASH & INVESTMENTS	4,237,567	2,158,246	253,725	1,518,432	307,164

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2013***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

King County Fire Protection District #43 is a special purpose government that provides fire protection services to the general public and is supported primarily through property taxes. The District was incorporated in 1952 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts.

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:**General Fund (10-043-0010)**

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 (10-043-8510)

This fund accounts for the accumulation of resources to pay principal, interest and related costs on general long-term debt.

Capital Project Funds (10-043-3010 & 10-043-3020)

These funds account for financial resources that are designated for the acquisition or construction of general government capital projects. The 3010 Capital Fund is funded from Bonds and the 3020 Capital Fund is funded from the sale of fixed assets.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by King County Fire Protection District #43 in a trustee capacity or as an agent on behalf of others.

Agency Funds**Healthcare Reimbursement Account / Flexible Spending Account.**

This account is used for contributions made by the district and employee for healthcare expenses and is also not included in the ending cash balance. Choice Strategies manages the transactions to ensure that purchases are in compliance with IRS Regulations. The balance of this account as of December 31, 2013 is \$171,781.11. In January of 2013, \$270,733.80 was authorized to employee HRA Cards and is a liability until being funded on January 15, 2014.

B. Basis of Accounting

King County Fire Protection District #43 reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the Cash Basis Budgeting Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is an other comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2013*

RCW.

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

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

C. Cash

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

D. Deposits

The District's deposits are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

E. Capital Assets

Per Policy SOG 43-5000 Capital assets are assets with an initial individual cost of more than \$5,000.00 and an estimated useful life in excess of 1 year. Capital assets are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation pay may be accumulated up to 680 hours and is payable upon separation or retirement. The District's liability for Vacation Pay benefits on December 31, 2013 was \$478,734.54. Sick leave may accumulate up to 960 hours. Upon retirement, employees receive \$0.50 per \$1.00 (50%) for each hour of unused Sick Leave. The District's liability for sick leave termination benefits on December 31, 2013 was \$498,105.02. Comp time may be accumulated up to 200 hours and is payable upon separation or retirement. The District's liability for Comp Pay benefits on December 31, 2013 was \$70,585.42.

G. Reserve Fund Balances

On May 17, 2012, the Board of Fire Commissioners approved AG 43-1118 adopting Financial Policies for the Financial Operations of the Fire District. This policy states that the District shall maintain a Reserve Fund balance of a minimum of 4% of the estimated expenses as measured on December 31st for the subsequent year. If at the end of any fiscal year, the balance falls below 4%, then the District shall rebuild the balance within a period not to exceed two (2) years.

NOTE 1 - BUDGETS

King County Fire Protection District #43 adopts annual appropriated budgets for the General and Capital 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.

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2013

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund Name	Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$7,915,302.15	\$7,788,165.57	\$127,136.58
Capital Fund	\$1,408,777.00	\$1,127,088.95	\$281,688.05
	-----	-----	-----
Totals	\$9,324,079.15	\$8,915,254.52	\$408,824.63
	=====	=====	=====

NOTE 2 - PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes 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 taxes are levied.

The District's regular levy for the year 2012 for collection in 2013 was \$1.50 per \$1,000 on an assessed valuation of \$3,968,814,452 for a total regular levy of \$5,953,222.

In 2013, the District also levied \$.22 per \$1,000 for a total additional levy of \$873,139.

NOTE 3 - INVESTMENTS

The District's investments are held by the county as its agent in the District's name. Investments by type at December 31, 2013 were as follows:

Type of Investment	Balance (\$000)
U.S. Agency Securities	2,918,650
Commercial Paper	18,545
Taxable Municipal Securities	--
Bankers Acceptances	--
U.S. Agency Mortgage-backed Securities	10,396
Repurchase Agreements	71,806
Treasury Securities	1,069,711
Certificates of Deposit & Overnight Deposits	--
Local Government Investment Pool (LGIP)	884,448
Reverse Repurchase Agreements	--

Total	4,973,556
	=====

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2013

NOTE 4 - DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides a listing of the outstanding debt of the District and summarizes the District's debt transactions for year 2013. The debt service requirements, including interest, are as follows:

	General		
	Obligation Bonds	Other Debt	Total Debt
2014	1,155,900.00	270,733.80	1,426,633.80
2015	1,115,900.00		1,115,900.00
2016	375,900.00		375,900.00
2017	273,900.00		273,900.00
2018	355,500.00		355,500.00
2019 - 2022	1,317,000.00		1,317,000.00
	-----	-----	-----
Totals	4,594,100.00	270,733.80	4,864,833.80
	=====	=====	=====

NOTE 5 - PENSION PLANS

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

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

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

NOTE 6 - OTHER DISCLOSURES

1. Post Employment Benefits

The District has a commitment to pay for post-employment benefits for 2 retirees that belong to LEOFF I. These benefits include medical insurance and related costs, dental expenses and nursing care. The District is self-insured for their LEOFF I Retireee Dental Coverage and pays up to \$3,000.00 per calendar year per retiree. In 2013, the District paid \$11,508.14 for medical insurance, \$1,356.64 for medical expenses and \$516.00 for dental expenses.

2. King County Fire Protection District #43 continues to partner with South King County Training Consortium to fullfill staff training requirements.

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2013

3. The Board of Volunteer Firefighters is a related organization made up of District Secretary de Leon, Chairperson Walls and Commissioner VanRuff.

4. The District self insures unemployment compensation through Employment Security Department as a reimburseable business classification.

Prepared on 12/02/2014

REVENUES AND EXPENDITURES

For the Year Ended December 31, 2013

REVENUE DETAILS

311.1X.XX	Real and Personal Property Taxes -	5,963,639
317.2X.XX	Leasehold Excise Tax -	388
317.4X.XX	Forest Excise Tax -	215
310.00 TOTAL TAXES		5,964,242
331.97.04	Direct Federal Grants -	294,374
332.15.23	Federal Entitlements/Subsidies - Bureau of Land Mgt -	12,926
333.01.00	Indirect Federal Grants -	1,358
334.01.00	State Grants -	1,208
334.06.90	State Grants -	6,364
337.10.00	Interlocal Grants, Entitlements & Other Payments -	133,447
330.00 TOTAL INTERGOVERNMENTAL REVENUES		449,677
342.21.XX	Fire Protection and Emergency Medical Services -	443,343
342.4X.XX	Protective Inspection Services -	52,085
342.6X.XX	Ambulance Services -	400,584
340.00 TOTAL CHARGES FOR GOODS & SERVICES		896,012
361.1X.XX	Investment Interest -	14,200
361.3X.XX	Gains/Losses on Investments -	12,844
367.11.XX	Contributions & Donations from Nongovernmental Sources -	25,865
369.2X.XX	Unclaimed Money or Proceeds from Property Sales -	5
369.9X.XX	Other Misc Revenue -	196
360.00 TOTAL MISCELLANEOUS REVENUE		53,110
389.91.XX	Other Nonrevenues -	8,346
380.00 TOTAL NONREVENUES		8,346
395.1X.XX	Proceeds from Sales of Capital Assets -	322,099
397.01.XX	Transfers In -	307
398.22.XX	Insurance Recoveries -	5,616
390.00 TOTAL OTHER FINANCING SOURCES		328,022

EXPENDITURE DETAILS

522.1X.1X	Fire Control and EMS - Administration - Salaries & Wages	509,969
522.1X.2X	Fire Control and EMS - Administration - Personnel Benefits	121,058
522.1X.3X	Fire Control and EMS - Administration - Supplies	71,568
522.1X.4X	Fire Control and EMS - Administration - Services	206,799
522.1X.5X	Fire Control and EMS - Administration - Intergovernmental	253
522.2X.1X	Fire Control and EMS - Fire Suppression & EMS - Salaries & Wages	4,653,177
522.2X.2X	Fire Control and EMS - Fire Suppression & EMS - Personnel Benefits	1,245,469
522.2X.3X	Fire Control and EMS - Fire Suppression & EMS - Supplies	75,462
522.2X.4X	Fire Control and EMS - Fire Suppression & EMS - Services	30,010
522.3X.1X	Fire Control and EMS - Fire Prevention & Investigation - Salaries & Wages	90,347

REVENUES AND EXPENDITURES

For the Year Ended December 31, 2013

522.3X.2X	Fire Control and EMS - Fire Prevention & Investigation - Personnel Benefits	28,583
522.3X.3X	Fire Control and EMS - Fire Prevention & Investigation - Supplies	5,676
522.3X.4X	Fire Control and EMS - Fire Prevention & Investigation - Services	9,774
522.45.1X	Fire Control and EMS - Training Obtained by Employees - Salaries & Wages	120,145
522.45.2X	Fire Control and EMS - Training Obtained by Employees - Personnel Benefits	31,022
522.45.3X	Fire Control and EMS - Training Obtained by Employees - Supplies	5,056
522.45.4X	Fire Control and EMS - Training Obtained by Employees - Services	54,235
522.5X.1X	Fire Control and EMS - Facilities - Salaries & Wages	92,477
522.5X.2X	Fire Control and EMS - Facilities - Personnel Benefits	31,554
522.5X.3X	Fire Control and EMS - Facilities - Supplies	122,432
522.5X.4X	Fire Control and EMS - Facilities - Services	112,954
528.XX.3X	Dispatch Services - Supplies	8,328
528.XX.4X	Dispatch Services - Services	176,924
520.00 TOTAL PUBLIC SAFETY		7,803,272
597.XX.0X	Transfers Out -	739,149
590.00 TOTAL OTHER FINANCING USES		739,149

REVENUE SUMMARY

310 - 390	TOTAL REVENUES, NONREVENUES AND OTHER FINANCING SOURCES	7,699,408
308.80	Unreserved Beginning Cash & Investments	2,996,453
BEGINNING CASH & INVESTMENTS (including any prior period adjustments)		3,001,253
SCHEDULE 04 TOTAL		10,700,661

EXPENDITURE SUMMARY

510 - 590	TOTAL EXPENDITURES, NONEXPENDITURES AND OTHER FINANCING USES	8,542,415
508.80	Unreserved Ending Cash & Investments	2,158,246
ENDING CASH & INVESTMENTS		2,158,246
SCHEDULE 05 TOTAL		10,700,661

Prepared on 12/02/2014

REVENUES AND EXPENDITURES

For the Year Ended December 31, 2013

REVENUE DETAILS

311.1X.XX	Real and Personal Property Taxes -	943,592
310.00 TOTAL TAXES		943,592
361.1X.XX	Investment Interest -	2,622
361.3X.XX	Gains/Losses on Investments -	1,780
360.00 TOTAL MISCELLANEOUS REVENUE		4,402

EXPENDITURE DETAILS

591.28.7X	Redemption of Debt for Dispatch Services - Principal	750,000
592.22.8X	Interest & Other Debt Service Costs for Fire Suppression & EMS - Interest	184,160
590.00 TOTAL OTHER FINANCING USES		934,160

REVENUE SUMMARY

310 - 390	TOTAL REVENUES, NONREVENUES AND OTHER FINANCING SOURCES	947,994
308.10	Reserved Beginning Cash & Investments	239,892
BEGINNING CASH & INVESTMENTS (including any prior period adjustments)		239,892
SCHEDULE 04 TOTAL		1,187,886

EXPENDITURE SUMMARY

510 - 590	TOTAL EXPENDITURES, NONEXPENDITURES AND OTHER FINANCING USES	934,160
508.10	Reserved Ending Cash & Investments	253,725
ENDING CASH & INVESTMENTS		253,725
SCHEDULE 05 TOTAL		1,187,885

Prepared on 12/02/2014

REVENUES AND EXPENDITURES

For the Year Ended December 31, 2013

REVENUE DETAILS

361.1X.XX	Investment Interest -	9,681
361.3X.XX	Gains/Losses on Investments -	1,238
360.00 TOTAL MISCELLANEOUS REVENUE		10,919
397.00.XX	Transfers In -	432,037
390.00 TOTAL OTHER FINANCING SOURCES		432,037

EXPENDITURE DETAILS

592.28.8X	Interest & Other Debt Service Costs for Dispatch Services - Interest	301
594.25.6X	Capital Expenditures for Disaster Services - Capital Outlay	25,183
594.28.6X	Capital Expenditures for Dispatch Services - Capital Outlay	1,101,297
597.XX.0X	Transfers Out -	307
590.00 TOTAL OTHER FINANCING USES		1,127,088

REVENUE SUMMARY

310 - 390	TOTAL REVENUES, NONREVENUES AND OTHER FINANCING SOURCES	442,956
308.10	Reserved Beginning Cash & Investments	2,202,565
	BEGINNING CASH & INVESTMENTS (including any prior period adjustments)	2,202,565
	SCHEDULE 04 TOTAL	2,645,521

EXPENDITURE SUMMARY

510 - 590	TOTAL EXPENDITURES, NONEXPENDITURES AND OTHER FINANCING USES	1,127,089
508.10	Reserved Ending Cash & Investments	1,518,432
	ENDING CASH & INVESTMENTS	1,518,432
	SCHEDULE 05 TOTAL	2,645,521

Prepared on 12/02/2014

REVENUES AND EXPENDITURES

For the Year Ended December 31, 2013

REVENUE DETAILS

361.1X.XX	Investment Interest -	51
360.00 TOTAL MISCELLANEOUS REVENUE		51
397.01.XX	Transfers In -	307,112
390.00 TOTAL OTHER FINANCING SOURCES		307,112

REVENUE SUMMARY

310 - 390	TOTAL REVENUES, NONREVENUES AND OTHER FINANCING SOURCES	307,164
	BEGINNING CASH & INVESTMENTS (including any prior period adjustments)	0
SCHEDULE 04 TOTAL		307,164

EXPENDITURE SUMMARY

510 - 590	TOTAL EXPENDITURES, NONEXPENDITURES AND OTHER FINANCING USES	0
508.10	Reserved Ending Cash & Investments	307,164
	ENDING CASH & INVESTMENTS	307,164
SCHEDULE 05 TOTAL		307,164

Prepared on 12/02/2014

LIABILITIES

For the Year Ended December 31, 2013

ID Number Description	Issue Date Maturity/Payment Date	Beginning Balance	Additions	Reductions	Ending Balance	BARS Code for Redemptions of Debt Only
251.12 2004 Bonds	01/01/2004 12/31/2013	580,000		580,000		591.01.00
251.12 2007 Bonds	11/01/2007 12/31/2017	2,680,000		170,000	2,510,000	591.01.00
251.12 2012 Bonds	11/01/2012 12/31/2022	1,500,000			1,500,000	591.01.00
259.11 Comp Time		54,881	70,585	54,881	70,585	
259.11 Sick Leave		530,667	498,105	530,667	498,105	
259.11 Vacation Pay		488,665	486,363	488,665	486,363	
263.91 2013 HRA Contribution			270,733		270,733	
Totals		5,834,213	1,325,787	1,824,213	5,335,787	

EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Grantor(s) and Program Title	CFDA Number	Other Number	Pass-Thru Expenditures	Direct Expenditures	Total Expenditures	Footnote Reference(s)
FEMA Department Homeland Security	97.044		0	294,374	294,374	1
Department Homeland Security City of Seattle Training	97-067		1,358	0	1,358	2
Totals					295,732	

The Accompanying Notes to the Schedule of Expenditures of Federal Awards Are An Integral Part Of This Statement

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

1. On September 20, 2013 King County Fire Protection District #43 received \$294,374.00 from FEMA - Department of Homeland Security for the purpose of purchasing Motorola Portable Radios. EMW-2012-FO-05386.

2. \$1,358.00 was received on July 22, 2013 to cover overtime expenses associated with sending one employee to the Structural Collaspe and Heavy Rescue Operations Refresher Class offered through City of Seattle, as part of the DHS State Homeland Security Grant Program.

Prepared on 12/02/2014

STATE FINANCIAL ASSISTANCE

For the Year Ended December 31, 2013

Grantor	Program Title	Number	Expenditures
Department of Health	Trauma Grant		1,208
		Total	1,208

LABOR RELATIONS CONSULTANTS

For the Year Ended December 31, 2013

We have engaged labor relations consultants, see details below:

Name of Firm Inslee, Best, Doezie & Ryder

Name of Consultant Kathy Weber

Address P.O. Box 90016

Bellevue, WA 98009-9016

Amount Paid 4,694

Rates 315.00 Per Hour

Maximum Compensation

Duration of Services 2013

Services Provided Legal Counsel

Name of Firm Joseph Quinn P.S.

Name of Consultant Joseph Quinn

Address 20 Forest Glen Ln SW

Lakewood, WA 98498

Amount Paid 651

Rates 210.00 Per Hour

Maximum Compensation

Duration of Services 2013

Services Provided Legal Counsel

RISK MANAGEMENT

For the Year Ended December 31, 2013

Program Manager: Michele de Leon
 Address: 23775 SE 264th Street, Maple Valley WA 98038
 Phone: (425)432-0200
 Email: mdeleon@maplevalleyfire.org

1. [YES] Does the local government self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation?

a. Which class of risk does the entity self-insure?

- i. [NO] Liability
- ii. [NO] Property
- iii. [YES] Health and Welfare (medical, vision, dental, prescription)
- iv. [YES] Unemployment Compensation
- v. [NO] Workers' Compensation
- vi. [NO] Other - if answered YES then please describe:

b. [YES] Does the local government self-insure as an individual program?

- i. [NO] If answered YES, does the local government allow another separate legal entity into its self-insurance program(s)?
If answered YES, list the entity or entities:

c. [NO] Does the local government self-insure as a joint program?

- i. If answered YES, list the other member(s):

2. [YES] Does the local government administer its own claims?

3. [NO] Does the local government contract with a third party administrator for claims administration?

4. [YES] Did the local government receive a claims audit in the last three years, regardless of who administered the claims?

5. [YES] Were the program's revenues sufficient to cover the program's expenses?

6. [NO] Did the program use an actuary to determine its liabilities?

7. Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Dental	2	2	\$516.00
Medical Reimbursement	13	13	\$1,356.64
Orthodontia	10	10	\$24,680.25