



Washington State Auditor's Office

Troy Kelley

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Financial Statements and Federal Single Audit Report

City of Snoqualmie

King County

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

Published September 29, 2014

Report No. 1012702





Washington State Auditor
Troy Kelley

September 29, 2014

Mayor
City of Snoqualmie
Snoqualmie, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Snoqualmie's financial statements and compliance with federal laws and regulations.

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

Sincerely,

TROY KELLEY
STATE AUDITOR

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King County
January 1, 2013 through December 31, 2013**

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Federal Summary

City of Snoqualmie King County January 1, 2013 through December 31, 2013

The results of our audit of the City of Snoqualmie are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unmodified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

FEDERAL AWARDS

Internal Control Over Major Programs:

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
97.039	Hazard Mitigation Grant Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The City qualified as a low-risk auditee under OMB Circular A-133.

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*

**City of Snoqualmie
King County
January 1, 2013 through December 31, 2013**

Mayor
City of Snoqualmie
Snoqualmie, 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 City of Snoqualmie, King County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 22, 2014.

We issued an unmodified opinion on the fair presentation of the City'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 City using accounting practices prescribed or permitted 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 audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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.

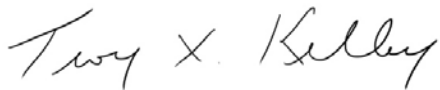
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City'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 City'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 City'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

September 22, 2014

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

**City of Snoqualmie
King County
January 1, 2013 through December 31, 2013**

Mayor
City of Snoqualmie
Snoqualmie, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the City of Snoqualmie, King County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the accompanying Federal Summary.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

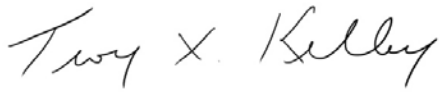
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

September 22, 2014

Independent Auditor's Report on Financial Statements

City of Snoqualmie King County January 1, 2013 through December 31, 2013

Mayor
City of Snoqualmie
Snoqualmie, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Snoqualmie, King County, Washington, for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 14.

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 audit. We conducted our audit 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 City'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 City'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 City of Snoqualmie has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and 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 City of Snoqualmie, for the year ended December 31, 2013, 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 City 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 City of Snoqualmie, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

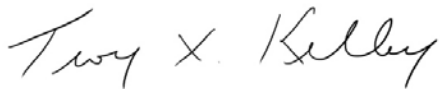
Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Liabilities is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014 on our consideration of the City'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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

September 22, 2014

Financial Section

**City of Snoqualmie
King County
January 1, 2013 through December 31, 2013**

FINANCIAL STATEMENTS

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

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Schedule of Expenditures of Federal Awards – 2013
Notes to the Schedule of Expenditures of Federal Awards – 2013

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Page 1 of 13

For the Year Ended December 31, 2013

BARS CODE	Description		Fund 001	Fund 101
			General (Current Expense)	Street Maintenance
		Total for All Funds	Actual Amount	Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	\$ 15,204,366	\$ 2,760,965	\$ -
308.80	Unreserved	2,071,870	1,678,704	43,683
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	11,876,937	10,441,197	-
320	Licenses and Permits	825,118	51,595	1,995
330	Intergovernmental Revenues	2,284,714	169,887	234,017
340	Charges for Goods and Services	12,289,450	1,416,752	-
350	Fines and Penalties	116,107	113,607	-
360	Miscellaneous Revenues	2,669,077	137,813	4,602
Total Operating Revenues		30,061,404	12,330,853	240,614
Operating Expenditures:				
510	General Government	3,883,463	2,293,156	-
520	Public Safety	5,963,651	5,963,651	-
530	Utilities	5,291,119	-	-
540	Transportation	1,690,357	79,872	829,238
550	Natural and Economic Environment	4,013,286	271,639	-
560	Social Services	2,022	2,022	-
570	Culture and Recreational	2,047,607	2,047,607	-
Total Operating Expenditures		22,891,505	10,657,946	829,238
Net Operating Increase (Decrease)		7,169,899	1,672,906	(588,625)
Nonoperating Revenues				
391-393	Debt Proceeds	433,122	174,398	-
379, 380, 395, 398	Other Financing Sources	295,801	1,378	-
397	Transfers In	3,527,272	-	654,000
Total Nonoperating Revenues		4,256,196	175,776	654,000
Nonoperating Expenditures:				
591-593	Debt Service	1,834,386	238,551	554
594-595	Capital Expenditures	5,925,203	319,019	7,121
580, 596, 599	Other Financing Uses	43,800	462	8,837
597	Transfers Out	3,527,272	1,049,109	-
Total Nonoperating Expenditures		11,330,661	1,607,141	16,511
Increase (Decrease) in Cash and Investments		95,433	241,541	48,864
Ending Cash and Investments:		\$17,371,669	\$4,681,210	\$92,547
508.10	Reserved	15,630,402	3,559,181	-
508.80	Unreserved	\$1,741,267	\$1,122,030	\$92,547

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 110	Fund 113	Fund115
		Hotel/Motel Tax	King County Trails Levy	SR Capital Mitigation
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 49,908	\$ 69,938	\$ 129,538
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	55,773	15,909	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	85,117
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	35	139	307
Total Operating Revenues		55,808	16,048	85,424
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	64,198	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		64,198	-	-
Net Operating Increase (Decrease)		(8,390)	16,048	85,424
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	-	-
Total Nonoperating Revenues		-	-	-
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	13,798	32,536	9,916
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	100,000
Total Nonoperating Expenditures		13,798	32,536	109,916
Increase (Decrease) in Cash and Investments		(22,187)	(16,488)	(24,492)
Ending Cash and Investments:		\$27,721	\$53,450	\$105,046
508.10	Reserved	27,721	53,450	105,046
508.80	Unreserved	\$0	\$0	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 116	Fund 117	Fund 118
		Real Estate Excise Tax	Solid Waste & Recycling	Drug Enforcement
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 666,765	\$ 382,776	\$ 11,886
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	1,091,068	-	-
320	Licenses and Permits	-	183,623	-
330	Intergovernmental Revenues	-	26,116	-
340	Charges for Goods and Services	-	(17,828)	-
350	Fines and Penalties	-	2,500	-
360	Miscellaneous Revenues	2,073	1,157	225
Total Operating Revenues		1,093,142	195,568	225
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	
530	Utilities	-	17,022	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		-	17,022	-
Net Operating Increase (Decrease)		1,093,142	178,546	225
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	-	-
Total Nonoperating Revenues		-	-	-
Nonoperating Expenditures:				
591-593	Debt Service	300,854	-	-
594-595	Capital Expenditures	-	-	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	1,065,000	471,000	
Total Nonoperating Expenditures		1,365,854	471,000	-
Increase (Decrease) in Cash and Investments		(272,712)	(292,454)	225
Ending Cash and Investments:		\$394,052	\$90,322	\$12,112
508.10	Reserved	394,052	-	12,112
508.80	Unreserved	\$0	\$90,322	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 119	Fund 120	Fund 121
		Tokol Roundabout Impact Fee	Riverfront Property Acquisition	King Conservation District Grants
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 14,451	\$ 72,735	\$ 2,650
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	13,927		
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	13	1	-
Total Operating Revenues		13,939	1	-
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	1,943	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		-	1,943	-
Net Operating Increase (Decrease)		13,939	(1,942)	-
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	3,000	7,999
Total Nonoperating Revenues		-	3,000	7,999
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	72,735	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	72,735	-
Increase (Decrease) in Cash and Investments		13,939	(71,676)	7,999
Ending Cash and Investments:		\$28,391	\$1,058	\$10,649
508.10	Reserved	28,391	1,058	10,649
508.80	Unreserved	\$0	(\$0)	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 130	Fund 141	Fund 142
		Development Services	1817 Home Elevation Project	FMA Home Elevation Project
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 79,140	\$ 177	\$ 909
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	579,745	-	-
330	Intergovernmental Revenues	22,442	931,835	341,581
340	Charges for Goods and Services	1,168,984	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	2,835	132,802	40,784
Total Operating Revenues		1,774,007	1,064,638	382,365
Operating Expenditures:				
510	General Government	-	-	3,758
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	1,915,803	1,073,360	384,702
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		1,915,803	1,073,360	388,460
Net Operating Increase (Decrease)		(141,796)	(8,723)	(6,095)
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	27,850	-	-
397	Transfers In	642,000	9,000	5,500
Total Nonoperating Revenues		669,850	9,000	5,500
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	-
580, 596, 599	Other Financing Uses	30,715	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		30,715	-	-
Increase (Decrease) in Cash and Investments		497,339	277	(595)
Ending Cash and Investments:		\$576,479	\$454	\$314
508.10	Reserved	576,479	454	314
508.80	Unreserved	\$0	(\$0)	(\$0)

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 143	Fund 202	Fund 211
		SRL Home Elevation Project	2002 Voter- Approved G.O. Bond Debt Service	2011 LTGO Bond Debt Service
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 970	\$ 7,395	\$ 222,242
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	272,988	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	238,391	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	25,083	211	375
Total Operating Revenues		263,474	273,200	375
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	265,207	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		265,207	-	-
Net Operating Increase (Decrease)		(1,733)	273,200	375
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	1,000	-	288,052
Total Nonoperating Revenues		1,000	-	288,052
Nonoperating Expenditures:				
591-593	Debt Service	-	272,545	349,900
594-595	Capital Expenditures	-	-	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	272,545	349,900
Increase (Decrease) in Cash and Investments		(733)	655	(61,474)
Ending Cash and Investments:		\$237	\$8,049	\$160,768
508.10	Reserved	237	8,049	160,768
508.80	Unreserved	\$0	\$0	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 303	Fund 305	Fund 309
		Parks Capital Improvement	Flood Reduction & Improvement	Douglas & Parkway Construction
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 327,300	\$ 159	\$ 219,056
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	33,873	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	10,898	(9)	274
Total Operating Revenues		10,898	33,864	274
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	36,434	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		-	36,434	-
Net Operating Increase (Decrease)		10,898	(2,570)	274
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	33,476	-	-
397	Transfers In	300,000	2,500	-
Total Nonoperating Revenues		333,476	2,500	-
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	122,257	-	73,224
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		122,257	-	73,224
Increase (Decrease) in Cash and Investments		222,117	(70)	(72,950)
Ending Cash and Investments:		\$549,417	\$89	\$146,106
508.10	Reserved	549,417	89	146,106
508.80	Unreserved	\$0	\$0	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 310	Fund 313	Fund 314
		Transportation Capital Improvement	Pedestrian Bridge Construction	Community Center Construction
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 306,288	\$ 618,221	\$ 43,404
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	61,642	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	442	559	345
Total Operating Revenues		62,084	559	345
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	71,184	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		71,184	-	-
Net Operating Increase (Decrease)		(9,100)	559	345
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	3,601	-	-
Total Nonoperating Revenues		3,601	-	-
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	56,322	-	41,046
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	2,112	500,000	-
Total Nonoperating Expenditures		58,434	500,000	41,046
Increase (Decrease) in Cash and Investments		(63,933)	(499,441)	(40,701)
Ending Cash and Investments:		\$242,355	\$118,780	\$2,703
508.10	Reserved	242,355	118,780	2,703
508.80	Unreserved	\$0	\$0	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 315	Fund 316	Fund 318
		2011 LTGO Bond Construction	SR 202 Corridor Phase 2A Construction	"HAWK" Traffic Signal Construction
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 3,988,443	\$ 66,328	\$ 24,634
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	149,930	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	4,593	331	20
Total Operating Revenues		4,593	150,261	20
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		-	-	-
Net Operating Increase (Decrease)		4,593	150,261	20
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	367,321	-
Total Nonoperating Revenues		-	367,321	-
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	3,131,805	397,834	24,525
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		3,131,805	397,834	24,525
Increase (Decrease) in Cash and Investments		(3,127,213)	119,748	(24,505)
Ending Cash and Investments:		\$861,231	\$186,076	\$129
508.10	Reserved	861,231	186,076	129
508.80	Unreserved	\$0	\$0	(\$0)

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 319	Fund 320	Fund 321
		Kimball Creek Box Culverts Construction	Tokul Roundabout Construction	Gateway Arch Construction
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 126,959	\$ -	2,504
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	142	1,611,311	1,508
Total Operating Revenues		142	1,611,311	1,508
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		-	-	-
Net Operating Increase (Decrease)		142	1,611,311	1,508
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	-	500,000	-
Total Nonoperating Revenues		-	500,000	-
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	94,137	43,622	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	32,000	-	-
Total Nonoperating Expenditures		126,137	43,622	-
Increase (Decrease) in Cash and Investments		(125,994)	2,067,690	1,508
Ending Cash and Investments:		\$965	\$2,067,690	\$4,012
508.10	Reserved	965	2,067,690	4,012
508.80	Unreserved	\$0	\$0	\$0

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 322	Fund 401	Fund 501
		Jeanne Hansen Fields Construction	Combined Utilities	Equipment Replacement & Repair
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ -	\$ 2,732,541	\$ 1,719,512
308.80	Unreserved	-	-	168,598
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	8,160	-
330	Intergovernmental Revenues	-	-	75,000
340	Charges for Goods and Services	-	6,619,665	1,154,138
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	649,306	26,208	12,273
Total Operating Revenues		649,306	6,654,032	1,241,411
Operating Expenditures:				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	5,274,097	-
540	Transportation	-	-	710,062
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		-	5,274,097	710,062
Net Operating Increase (Decrease)		649,306	1,379,935	531,348
Nonoperating Revenues				
391-393	Debt Proceeds	-	258,724	-
379, 380, 395, 398	Other Financing Sources	-	196,198	36,048
397	Transfers In	465,000	-	27,000
Total Nonoperating Revenues		465,000	454,923	63,048
Nonoperating Expenditures:				
591-593	Debt Service	-	671,982	-
594-595	Capital Expenditures	572,870	226,806	604,078
580, 596, 599	Other Financing Uses	-	3,787	-
597	Transfers Out	-	258,052	-
Total Nonoperating Expenditures		572,870	1,160,626	604,078
Increase (Decrease) in Cash and Investments		541,436	674,232	(9,682)
Ending Cash and Investments:		\$541,436	\$3,406,773	\$1,878,428
508.10	Reserved	541,436	3,406,773	1,707,251
508.80	Unreserved	\$0	\$0	\$171,177

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 502	Fund 503	Fund 510
		Information Technology	Risk Management	Facilities Maintenance
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ 556,574	\$ -	\$ -
308.80	Unreserved	10,000	90,776	80,108
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	881,178	289,147	348,223
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	1,272	102	930
Total Operating Revenues		882,450	289,249	349,153
Operating Expenditures:				
510	General Government	609,212	254,382	396,599
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		609,212	254,382	396,599
Net Operating Increase (Decrease)		273,238	34,867	(47,446)
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	851	-
397	Transfers In	110,000	-	91,300
Total Nonoperating Revenues		110,000	851	91,300
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	74,056	-	7,499
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	50,000
Total Nonoperating Expenditures		74,056	-	57,499
Increase (Decrease) in Cash and Investments		309,183	35,718	(13,645)
Ending Cash and Investments:		\$875,757	\$126,494	\$66,463
508.10	Reserved	857,431	-	-
508.80	Unreserved	\$18,326	\$126,494	\$66,463

CITY OF SNOQUALMIE
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS CODE	Description	Fund 511		
		Shared Services		
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$ -	\$ -	\$ -
308.80	Unreserved	-	-	-
388.00/588.00	Prior Period Adjustments, net	-	-	-
Operating Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	330,147	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	118	-	-
Total Operating Revenues		330,265	-	-
Operating Expenditures:				
510	General Government	326,358	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreational	-	-	-
Total Operating Expenditures		326,358	-	-
Net Operating Increase (Decrease)		3,907	-	-
Nonoperating Revenues				
391-393	Debt Proceeds	-	-	-
379, 380, 395, 398	Other Financing Sources	-	-	-
397	Transfers In	50,000	-	-
Total Nonoperating Revenues		50,000	-	-
Nonoperating Expenditures:				
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	-
580, 596, 599	Other Financing Uses	-	-	-
597	Transfers Out	-	-	-
Total Nonoperating Expenditures		-	-	-
Increase (Decrease) in Cash and Investments		53,907	-	-
Ending Cash and Investments:		\$53,907	\$0	\$0
508.10	Reserved	-	-	-
508.80	Unreserved	\$53,907	\$0	\$0

The accompanying notes are an integral part of this financial statement

CITY OF SNOQUALMIE
FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For The Year Ending December 31, 2013

BARS CODE			Fund 621	Fund 633	Fund 634	635	641	642	643
			Korean Delegate Trust	Deposits Control Trust	Medical Flexible Spending Trust	Snoqualmie Transportation Benefit District Agency	1817 Home Elevations Homeowner Deposits Trust	FMA Home Elevations Homeowner Deposits Trust	SRL Home Elevations Homeowner Deposits Trust
		Total For All Funds	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
308	Beginning Cash and Investments	\$ 709,320	\$ 9,293	\$ 438,817	\$ 106	\$ 219,374	\$ 16,366	\$ 10,568	\$ 14,797
388/588	Prior Period Adjustments, net	-	-	-	-	-	-	-	-
310-360	Revenues	148,839	5,000	-	-	143,839	-	-	-
380-390	Other Increases and Financing Sources	618,514	-	374,548	7,837	-	169,879	39,125	27,126
510-570	Expenditures	-	-	-	-	-	-	-	-
580-590	Other Decreases and Financing Uses	674,063	6,516	442,830	5,605	5,086	132,763	40,789	40,475
	Increase (Decrease) in Cash and Investments	93,290	(1,516)	(68,283)	2,232	138,753	37,116	(1,664)	(13,349)
508	Ending Cash and Investments	\$ 802,610	\$ 7,777	\$ 370,534	\$ 2,338	\$ 358,126	\$ 53,482	\$ 8,905	\$ 1,448

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SNOQUALMIE
Notes to Financial Statements
January 1, 2013 through December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Snoqualmie 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 RCW.

The City of Snoqualmie was incorporated on May 18, 1903 and operates under the laws of the State of Washington applicable to a non-charter code city with a mayor/council form of government (RCW 35A). The City is a general purpose government and provides police, fire, parks, street improvement, water, wastewater, stormwater, planning, zoning, and building inspection services. The City of Snoqualmie uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

On June 24, 2010, the City passed Ordinance 1061 which established a Transportation Benefit District (TBD) for the purpose of collecting funds for street and roadway maintenance. The TBD established a \$20 vehicle license fee for these purposes. The fee became effective in March 2011. On September 13, 2010, the City Council approved Resolution 974, an interlocal agreement between the local government and the TBD providing administrative procedures and disposition of funding.

On September 24, 1990, the City of Snoqualmie adopted Ordinance No. 648, annexing 1,340 acres owned by Weyerhaeuser Real Estate Company (WRECO), and entered into a Pre-Annexation Agreement with Snoqualmie Ridge Associates (SRA), whose general partner was WRECO. (The SRA partnership was subsequently dissolved). WRECO sought and received approval on September 15, 1995 for a Mixed Use Final Plan for the Snoqualmie Ridge I Development. RCW 36.70B.170 – 210 authorizes local governments to enter into Development Agreements with the owners of real property outside their boundaries as part of a proposed annexation. Quadrant Corporation petitioned for annexation of certain real property commonly known as Snoqualmie Ridge II, and the City and Quadrant negotiated a Development Agreement, including development standards and mitigations to apply to the development of Snoqualmie Ridge II upon its annexation. The mixed use final plan includes a maximum of 2,000 dwelling units, retail, parks, trails and open space. The City Council approved a Development Agreement with Quadrant on March 31, 2004, and annexed the Snoqualmie Ridge II Property by Ordinance 958, effective August 3, 2004. Development processing costs for Snoqualmie Ridge I and Snoqualmie Ridge II are collected and accounted for in Fund No. 130, the Development Services Fund.

A. Fund Accounting

The accounts of the City 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 City'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 City.

GOVERNMENTAL FUND TYPES:

General Fund - 001

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

Special Revenue Funds - Funds in the 100 series

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the City.

Debt Service Funds - Funds in the 200 series

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

Capital Projects Funds - Funds in the 300 series

These funds account for financial resources that are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds - Funds in the 400 series

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds – Funds in the 500 series

These funds account for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Private-Purpose Trust Funds – Funds in the 620 series

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds – Funds in the 630-640 series

These funds are used to account for assets that the City 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 budget appropriations as required by state law. In accordance with state law the City also recognizes expenditures paid during the first twenty days after the close of the fiscal year for claims incurred during the previous period.

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 City adopts annual appropriated budgets for all governmental and proprietary funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for all funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The appropriations and actual expenditures for the legally adopted budgets were as follows:

<u>Fund</u>	<u>Final Appropriated Amounts</u>	<u>Actual Expenditures</u>	<u>Variance</u>
GENERAL FUNDS			
General Fund 001	\$12,701,191	\$11,814,832	\$886,359
Contingency Reserve Fund 002	678,800	-	678,800
Operating Reserve Fund 003	351,184	66,000	285,184
Revolving Reserve Fund 004	1,944,425	2,500	1,941,925
Fire Equipment Replacement Fund 011	74,122	5,442	68,680
Arts Activities Fund 012	43,966	4,946	39,020
North Bend Police Services 014	589,000	408,513	180,487
Mayor's Sustainability 015	13,000	-	13,000
SPECIAL REVENUE FUNDS			
Street Maintenance Fund 101	909,589	845,575	64,014
Hotel/Motel Tax Fund 110	78,520	77,996	524
King County Trails Levy Fund 113	49,978	32,536	17,442
Snoqualmie Ridge Capital Mitigation 115	182,268	109,916	72,352
Real Estate Excise Tax Fund 116	1,612,419	1,365,854	246,565
Solid Waste/Recycling Fund 117	502,190	488,022	14,168
Drug Enforcement Fund 118	11,142	-	11,142
Tokol Roundabout Impact Fee Fund 119	27,790	-	27,790
Riverfront Land Acquisition Fund 120	75,700	74,677	1,023
Kimball Creek Mitigation Fund 121	1,642	-	1,642
Development Services Fund 130	2,203,468	1,946,516	256,952
1817 Home Elevation Project Fund 141	1,597,905	1,073,360	524,545
FMA Home Elevation Project Fund 142	464,332	388,460	75,872
SRL Home Elevation Project Fund 143	363,905	265,207	98,698
DEBT SERVICE FUNDS			
Voted GO Bond Debt Service Fund 202	284,052	272,545	11,507
2011 GO Bond Debt Service Fund 211	504,632	349,900	154,732
CAPITAL PROJECTS FUNDS			
Parks Improvement Fund 303	344,442	122,257	222,185
Flood Reduction Fund 305	65,148	36,434	28,714
Parkway Intersections Const Fund 309	710,103	73,224	636,879
Transportation Improvement Fund 310	382,638	129,618	253,020
Pedestrian Bridge Construction Fund 313	617,200	500,000	117,200
Community Center Construction Fund 314	44,000	41,046	2,954
2011 GO Bond Construction Fund 315	3,950,216	3,131,805	818,411
SR 202 Corridor Phase 2A Construction 316	619,006	397,834	221,172
"HAWK" Traffic Signal Construction 318	35,600	24,525	11,075
Kimball Creek Box Culverts Const Fund 319	269,226	126,137	143,089
Tokol Roundabout Construction Fund 320	2,107,555	43,622	2,063,933
Gateway Arch Construction Fund 321	1,500	-	1,500
Jeanne Hansen Fields Const Fund 322	730,000	572,871	157,129

<u>Fund</u>	<u>Final Appropriated Amounts</u>	<u>Actual Expenditures</u>	<u>Variance</u>
ENTERPRISE FUNDS			
Combined Utilities Operating Fund 401	8,392,368	6,122,882	2,269,486
Combined Utilities Capital Improve 404	956,644	311,843	644,801
Utility Bond Redemption Fund 407	644,094	570,945	73,149
Utility Bond Reserve Fund 408	600,795	-	600,795

INTERNAL SERVICE FUNDS

Equipment Replace & Repair Fund 501	2,932,267	1,314,140	1,618,127
Information Technology Fund 502	1,476,647	683,267	793,380
Risk Management Fund 503	329,848	254,382	75,466
Central Services Fund 510	626,440	404,098	222,342
Shared Services Fund 511	<u>383,714</u>	<u>326,358</u>	<u>57,356</u>
TOTAL BUDGET	<u>\$51,484,671</u>	<u>\$34,780,085</u>	<u>\$16,704,586</u>

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

Budget amendments during 2013 altered the total appropriations for a number of funds. The General Fund budget was decreased by a total of \$20,000. The largest items responsible for this change were a \$277,100 typographical error correction that reduced Social Security in the Finance Department, and \$40,000 in Hydrant Replacement costs eliminated, due to legislation allowing costs of hydrants and related fire fighting water supply facilities to be borne by the Water Utility in the Combined Utilities Fund. Offsetting these reductions were the following increases: \$66,000 in the General Fund transfer to support operations of the Street Maintenance Fund, a \$65,000 transfer to pay a portion of the cost of right-of-way acquisition in the SR 202 Corridor Phase 2A Construction Fund, \$32,000 in interfund transfers to support Development Services Fund 130 and, \$20,000 for a Regional Tourism Website development project that was funded by a grant from King County. The remaining \$22,250 was composed of several smaller unanticipated and larger-than-anticipated costs. The Revolving Reserve Fund budget was reduced by a total of \$50,232 due to the elimination of a transfer to the General Fund to support fire hydrant replacements (see discussion above) and the postponement of an interfund loan to the Jeanne Hansen Fields Construction Fund and a transfer to the Tokul Roundabout Construction Fund until 2014. The Arts Activities Fund budget was increased by a total of \$4,500 for community arts programs funded by a grant from King County. The North Bend Police Services Fund budget was increased by \$205,000 to purchase 3 police vehicles financed by the State Treasurer's LOCAL lending program. This debt will be repaid over the service lives of the vehicles using revenues from the police services contract with the City of North Bend. A new Mayor's Sustainability Fund was appropriated with a budget of \$13,000, funded by a transfer from the General Fund. The Real Estate Excise Tax Fund budget was increased by a total of \$220,000; a transfer to the SR Corridor Phase 2A Construction Fund was partially offset by the postponement of a transfer to the Tokul Roundabout Construction Fund until 2014. The previously unbudgeted Riverfront Property Acquisition Fund was appropriated for \$75,700 to acquire property to be maintained as open space along the banks of the Snoqualmie River. Funding was provided by beginning fund balance and a transfer from the General Fund. The City uses three funds that account for three federal FEMA grants used to elevate the ground floor of private residences to above the 100-year flood level; additional funding is provided by Washington State Military Department, King County Flood Control Zone District and by the homeowners themselves. Budgets appropriated for these purposes were changed by: a \$350,000 decrease for the 1817 Home Elevation Project Fund, and a \$2,000 increase for the FMA Home Elevation Project Fund, with no change to the SRL Home Elevation Project Fund. These projects experienced less overall activity in 2013 than the budget originally anticipated, and will be completed in 2014. The budget for the Parks Improvement Fund was decreased by a total of \$1,355,900 due to postponement of Jeanne Hansen Fields Construction and related financing activities until 2014. The budget for the Flood Reduction & Improvement Fund was increased by \$65,080 to provide for a riverbank erosion control feasibility study funded by a grant from the King County Flood Control Zone District. The Transportation Improvement Fund's budget was increased by \$2,250 to cover minor costs of the Gove Street Street Lighting Project which were not funded by the CDGB grant that covered the major costs of the project. The

previously unbudgeted Community Center Construction Fund was appropriated for \$44,000 to provide for the installation of an emergency generator, using beginning fund balance that was larger than anticipated. The budget for the SR 202 Corridor Phase 2A Construction Fund was increased by a total of \$216,000 due to higher than anticipated costs to acquire right-of-way and advance the design of the project. These higher costs were partially offset by the postponement of construction activity until 2014. The "HAWK" Pedestrian Signal Construction Fund's budget was increased by \$11,037, due to higher than anticipated design costs, which were largely offset by a developer contribution and a small transfer from the General Fund. The budget for the Tokul Roundabout Construction Fund was decreased by a total of \$3,460,445, primarily due to postponement of construction and related financing activities to 2014. A new Jeanne Hansen Fields Construction Fund was created to isolate the costs of this large project in a fund of its own. \$730,000 was appropriated to begin construction, funded by transfers from the Real Estate Excise Tax Fund and the Parks Improvement Fund, as noted above. The Combined Utilities Capital Improvement Fund budget was decreased by a total of \$255,251. Budget decreases caused by postponing a planned utility revenue bond issue until 2014 and moving the budget for acquisition of a new street sweeper to the Equipment Repair and Replacement Fund were partially offset by added costs of installing an additional pump and related equipment in the Kimball Creek Sewer Pump Station. Developer contributions and a Public Works Trust Fund loan financed the pump project. Similar decreases in the Utility Bond Redemption Fund and the Utility Bond Reserve Fund of \$416,003 and \$554,050, respectively, were due to postponement of the same utility revenue bond issue just described. The Equipment Repair and Replacement Fund budget was increased by \$75,000 to accommodate purchase of a new street sweeper partially funded by a grant from the Washington State Department of Ecology. The budget for the Information Technology Fund was increased by \$10,000 related to purchase of an in-car Mobile Data System for police vehicles.

D. Cash

It is the City'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, according to the City's Investment Policy.

E. Deposits

The City's deposits are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission (PDPC).

F. Investments

See Note #3.

G. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets of the City are recorded as expenditures when purchased.

H. Compensated Absences

Management employees may accumulate and carry over up to two times their annual vacation leave. Public Works, Clerical and Firefighter employees may accumulate and carry over up to 240 hours of vacation leave. Police officers may accumulate and carry over up to 320 hours of vacation leave. All accumulated vacation is payable upon separation or retirement. Carryover dates are based on employee anniversary dates.

Sick leave may accumulate, and employees may carry up to 720 hours over into the following year. By December of each year, employees may elect to receive a percentage of their accumulated sick leave over and above the 720 hour limit at year-end. Firefighters can receive

a 33% payment depending on their 8- or 9-day cycle. Public Works and Clerical employees can receive a 25% payment. Employees do not receive payment for unused sick leave upon separation or retirement.

Management, Public Works, Clerical and Police employees may accumulate compensatory time, and employees may carry up to 24 hours over into the following year. Public Works, Clerical and Police employees receive payment for all unused compensatory time upon separation or retirement.

I. Long-Term Debt
See Note #6.

J. Other Financing Sources or Uses
The City's "Other Financing Sources or Uses" consist of interfund transfers in and out, long-term debt proceeds, proceeds from dispositions of capital assets and insurance proceeds.

K. Risk Management

The City of Snoqualmie is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 162 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

L. Reserved Fund Balance

Fund Balances have been reserved for a number of purposes and reasons:

General Fund 001	Various Reserves established by City Council
Hotel/Motel Tax 110	Legislative Restriction - Tax
King County Trails Levy 113	Legislative Restriction - Tax
SR Capital Mitigation 115	Developer Agreements
Real Estate Excise Tax 116	Legislative Restriction - Tax
Drug Enforcement Fund 118	Legislative Restriction – Confiscated Property
Tokul Roundabout Impact Fee 119	Developer Agreements
Riverfront Property Acquisition 120	Grantor Restrictions
King Conservation Dist Grants 121	Grantor Restrictions
Development Services 130	Legislative Restrictions – Building Permit Fees
1817 Home Elevations Project 141	Grantor Restrictions
FMA Home Elevations Project 142	Grantor Restrictions
SRL Home Elevations Project 143	Grantor Restrictions
Voted 2002 GO Bond Debt Service 202	Voter Restriction
2011 LTGO Bond Debt Service 211	Legislative Restriction - Tax
Capital Improvement Funds 300s	Developer Agreements, Grantor Restrictions
Combined Utilities Fund 401	Legislative Restriction - Utility
Equipment Replacement & Repair 501	Equipment Reserve by City Council
Information Technology Fund 502	Equipment Reserve by City Council
Korean Delegate Trust 621	Trust Restriction
Treasurer's Deposits Control 633	Trust/Agency Restriction
Medical Flexible Spending Account 634	Trust/Agency Restriction
Snoqualmie Trans Benefit Dist Agency 635	Trust/Agency Restriction
1817 Homeowner Deposits Trust 641	Trust/Agency Restriction
FMA Homeowner Deposits Trust 642	Trust/Agency Restriction
SRL Homeowner Deposits Trust 643	Trust/Agency Restriction

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 City.

NOTE 3 - INVESTMENTS

The City's investments are either insured, registered or held by the City or its agent in the City's name. Investments are presented at cost.

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

<u>Type of Investment</u>	<u>Balance</u>
Local Government Investment Pool (LGIP)	\$9,806,555
US Government Agency Bonds	<u>\$4,073,289</u>
Total	<u>\$13,879,544</u>

NOTE 4 - PROPERTY TAXES

The King County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed within two days of receipt by the County.

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

The City's regular levy for the year 2013 was \$2.99000 per \$1,000 on an assessed valuation of \$1,821,151,796 for a total regular levy of \$5,445,244. In 2013 the City also levied \$0.14965 per \$1,000 for a total additional levy of \$272,545 for the purpose of paying principal and interest on the City's voter-approved 2002 General Obligation Bonds.

NOTE 5 - INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2013:

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Balance 1/1/2013</u>	<u>New Loans</u>	<u>Repayments</u>	<u>Balance 12/31/2013</u>
101	501	\$31,716.04	\$ -0-	\$ 8,836.64	\$22,879.40
403	501	\$13,592.71	\$ -0-	\$ 3,787.05	\$ 9,805.66
TOTALS		<u>\$45,308.75</u>	<u>\$ -0-</u>	<u>\$12,623.69</u>	<u>\$32,685.06</u>

NOTE 6 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details about the outstanding debt of the City and summarizes the City's debt transactions for the year ended December 31, 2013. Debt service requirements, including both principal and interest, are as follows:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Other Debt</u>	<u>Total Debt</u>
2014	889,388	568,845	138,782	1,597,015
2015	893,296	511,288	139,164	1,543,747
2016	902,208	510,613	139,101	1,551,921
2017	893,898	514,588	137,452	1,545,937
2018	685,573	513,038	137,400	1,336,011
2019-2023	3,751,795	2,568,588	354,762	6,675,144
2024-2028	1,760,875	2,048,175	70,751	3,879,801
2029-2030	<u>703,531</u>	<u>-0-</u>	<u>41,626</u>	<u>745,157</u>
Totals	<u>\$10,480,565</u>	<u>\$7,235,133</u>	<u>\$1,159,036</u>	<u>\$18,874,733</u>

NOTE 7 - PENSION PLANS

Substantially all City full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS), Public Safety Employees Retirement System (PSERS) or the Law Enforcement Officers and Fire Fighters Retirement System (LEOFF), 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 City's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

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

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

NOTE 8- DEFERRED COMPENSATION PLANS

The City of Snoqualmie offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plans are available with ICMA Retirement Systems, the Washington State Department of Retirement Systems Deferred Compensation Plan, and the ING Deferred Compensation Plan. The plans are available to all employees, and permit them to defer a portion of their salary until future years. Compensation deferred is not available to employees until termination, retirement, death, or unforeseeable emergency. The City matches employee contributions to these plans up to certain monthly limits. Total City contributions to all three deferred compensation plans in 2013 were \$149,680.

NOTE 9 - CONTINGENCIES AND LITIGATION

The City participates in a number of federal and state financial assistance programs. These grants are subject to audit by the grantor agencies or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

NOTE 10 - OTHER DISCLOSURES

NEW DEBT ISSUED

On October 11, 2013 the City borrowed \$174,398 from the Washington State Treasurer's Local Option Capital Asset Lending (LOCAL) Program (Certificates of Participation in an Agency Financing Contract) to finance the purchase and equipping of three new police patrol vehicles. The City expects to borrow the remaining \$30,602 authorized in 2014, for a total anticipated borrowing of \$205,000. The loan bears an interest rate of 1.3685% and will be redeemed over a period of five years, using service fee revenues from a contract to provide police services for the City of North Bend.

During 2013 the City borrowed \$258,724 from a Public Works Trust Fund loan. Even though the loan is authorized for up to a maximum of \$679,000, the City does not expect to borrow more than \$340,000 in total. The proceeds of the loan, together with \$181,000 from private developer mitigation fees and \$38,663 in other Sewer Utility moneys, are being used to purchase and install a 3,475 gpm pump and related improvements at Kimball Creek Sewer Lift Station. The loan bears an interest rate of 0.50% and will be redeemed over a period of twenty years, using Sewer Utility rate revenues. See note on Construction Commitments, immediately below.

CONSTRUCTION COMMITMENTS

The City has two active construction projects as of December 31, 2013. The first project is the purchase and installation of a 3,475 gpm pump and related improvements at Kimball Creek Sewer Lift Station. At year-end, the City has spent a total of \$478,387 on this project, leaving a remaining commitment of \$80,000, which will be provided by a Public Works Trust Fund loan. (See note on New Debt Issued, immediately above.) The other project is the reconstruction of streets and related water, sewer and stormwater utilities infrastructure in the Falls Avenue and Cedar Street areas. This project is funded by proceeds of a 2011 LTGO bond issue. Expenditures to date total \$3,814,728, with a commitment of \$861,230 remaining. Both projects are expected to be completed in the spring or summer of 2014.

OTHER POST-EMPLOYMENT BENEFITS

The City has a commitment to pay for post-employment benefits for employees that belong to the LEOFF 1 retirement system. These benefits include medical, vision, nursing care, etc. Two retirees received benefits during 2013, and \$40,556 was paid out for those benefits during the year.

City of Snoqualmie

Schedule 09

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							
	251.14	2002 G.O. Bond	12/2/2022	2,135,000		175,000	1,960,000
	263.91	2003 Bank of America Loan	10/31/2013	293,346		293,346	0
	251.11	2011 G.O. Bond - City Hall Portion	12/1/2030	1,660,000		170,000	1,490,000
	251.11	2011 G.O. Bond - Infrastructure Portion	12/1/2030	4,260,000		165,000	4,095,000
	263.96	LOCAL Program - Police Vehicles & Equipment	6/1/2018	0	174,398	0	174,398
	259.11	Compensated Absences - Governmental		463,897	498,691	489,993	472,595
Total General Obligations:				8,812,243	673,089	1,293,339	8,191,993
Revenue Obligations							
	252.11	1998 Revenue Bonds - Sewer Portion	12/1/2014	13,650		6,500	7,150
	252.11	1998 Revenue Bonds - Water Portion	12/1/2014	91,350		43,500	47,850
	263.82	PWTF Loan #PW-02-691-050	4/1/2022	427,557		42,756	384,801
	263.82	PWB/DWSRF Loan #00-65120-029	10/1/2021	305,701		33,967	271,734
	252.11	2008 Revenue Bonds - Water Portion	12/1/2027	2,254,000		116,000	2,138,000
	252.11	2008 Revenue Bonds - Sewer Portion	12/1/2027	2,254,000		116,000	2,138,000
	252.11	2008 Revenue Bonds - Stormwater Portion	12/1/2027	1,127,000		58,000	1,069,000
	263.82	PWTF Loan #PW-12-951-083	6/1/1931	0	258,724	11,441	247,283
	259.12	Compensated Absences - Enterprise		65,835	77,427	69,671	73,591
Total Revenue Obligations:				6,539,093	336,151	497,835	6,377,409
Total Liabilities:				15,351,336	1,009,240	1,791,174	14,569,402

CITY of SNOQUALMIE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Agency Name/ Pass-Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Current Year Expenditures			Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	Total	
US Department of Agriculture/US Forest Service pass-thru from WA Department of Natural Resources	Cooperative Forestry Assistance	10.664	IA-13-350/K244-10-DG-010	\$ 10,000		\$ 10,000	1, 2
US Department of Housing and Urban Development Office of Community Planning and Development pass-thru from King County Housing and Community Development	Community Development Block Grants/Entitlement Grants	14.218	5451847	52,802		52,802	1, 2
US Department of Transportation/FHWA pass-thru from WA Department of Transportation	Highway Planning and Construction	20.205	LA-7500 SR 202 Phase 2A Design	91,217		91,217	1, 2
US Department of Transportation/FHWA pass-thru from WA Department of Transportation	Highway Planning and Construction	20.205	LA-7981 Kimball Creek Box Culverts Design	56,825		56,825	1, 2
	TOTAL CFDA #	20.205		148,042		148,042	
US Department of Transportation/NHTSA pass-thru from WA Traffic Safety Commission	State and Community Highway Safety	20.600	NA - Target Zero/DUI & Cell Phone Emphasis	3,664		3,664	1, 2
US Department of Transportation/NHTSA pass-thru from WA Traffic Safety Commission	Occupant Protection Incentive Grants	20.602	NA - Seat Belt Emphasis	963		963	1, 2
US Department of Homeland Security/FEMA pass-thru from WA Military Department	Flood Mitigation Assistance	97.029	EMS-2011-FM-E003	291,195		291,195	1, 2
US Department of Homeland Security/FEMA pass-thru from WA Military Department	Hazard Mitigation Grant	97.039	FEMA-1817-DR-WA-28-R	805,442		805,442	1, 2
US Department of Homeland Security/FEMA pass-thru from WA Military Department	Emergency Management Performance Grants	97.042	EMW-2012-App-00071	15,000		15,000	1, 2
US Department of Homeland Security/FEMA pass-thru from WA Military Department	Severe Repetitive Loss Program	97.110	EMS-2011-SR-0002	238,618		238,618	1, 2
						-	
						-	
						-	
Total Federal Awards Expended				\$ 1,565,726	\$ -	\$ 1,565,726	

The accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule.

CITY OF SNOQUALMIE, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City's financial statements. The City uses the single-entry cash basis of accounting, which is a departure from generally accepted accounting principles (GAAP).

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov