



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements and Federal Single Audit Report

City of Fife

Pierce County

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

Published September 29, 2014

Report No. 1012730





Washington State Auditor
Troy Kelley

September 29, 2014

Council
City of Fife
Fife, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Fife'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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Federal Summary

**City of Fife
Pierce County
January 1, 2013 through December 31, 2013**

The results of our audit of the City of Fife 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>
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction

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 Fife
Pierce County
January 1, 2013 through December 31, 2013**

Council
City of Fife
Fife, 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 Fife, Pierce 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 25, 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.

In addition, we noted certain matters that we have reported to the management of the City in a separate letter dated September 25, 2014.

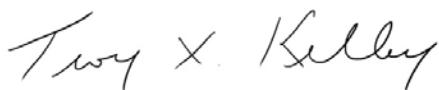
COMPLIANCE AND OTHER MATTERS

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*. However, we noted certain matters that we have reported to the management of the City in a separate letter dated September 25, 2014.

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 25, 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 Fife
Pierce County
January 1, 2013 through December 31, 2013**

Council
City of Fife
Fife, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the City of Fife, Pierce 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 25, 2014

Independent Auditor's Report on Financial Statements

**City of Fife
Pierce County
January 1, 2013 through December 31, 2013**

Council
City of Fife
Fife, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Fife, Pierce 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 Fife 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 Fife, 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 Fife, 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

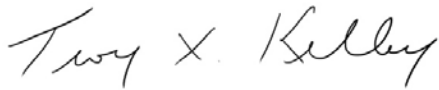
Supplementary and Other Information

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 25, 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 25, 2014

Financial Section

**City of Fife
Pierce 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

SUPPLEMENTARY AND OTHER INFORMATION

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

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 General Fund	101 Street Operating Fund	103 Public Safety Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	3,514,380	2,463,080	0	0
30880	Beg Fund Bal-Unreserved	38,729,413	-100,054	160,110	3,254,455
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	11,689,414	10,724,190	0	0
320	Licenses & Permits	563,521	551,945	0	0
330	Intergovernmental Revenues	4,388,466	740,590	197,100	113,193
340	Charges for Goods and Services	14,309,590	2,913,596	1,863	0
350	Fines & Penalties	2,971,259	408,624	0	2,506,832
360	Miscellaneous Revenues	2,744,892	451,803	5,649	811
Total Operating Revenues:		36,667,142	15,790,748	204,612	2,620,835
Operating Expenditures					
510	General Government	3,534,847	3,363,717	0	171,130
520	Public Safety	11,904,820	6,091,170	0	1,146,110
530	Utilities	7,287,126	0	0	0
540	Transportation	1,554,169	304,756	664,246	86,714
550	Natural and Economic Environment	1,354,064	819,835	0	0
560	Social Services	1,663	1,663	0	0
570	Culture And Recreation	1,956,279	1,869,773	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		27,592,967	12,450,915	664,246	1,403,954
Net Operating Increase (Decrease):		9,074,174	3,339,834	-459,634	1,216,881
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	950,203	24,805	20,609	0
391-393	Debt Proceeds	4,046,752	0	0	0
397	Transfers-In	5,903,233	0	466,856	0
Total Nonoperating Revenues:		10,900,188	24,805	487,465	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	885,039	0	0	0
591-593	Debt Service	13,897,287	0	0	0
594-595	Capital Expenditures	11,014,228	156,044	2,070	346,977
597	Transfers-Out	5,903,233	2,486,399	0	2,156,856
Total Nonoperating Expenditures:		31,699,788	2,642,443	2,070	2,503,833
Increase (Decrease) in Cash and Investments		-11,725,425	722,196	25,761	-1,286,952
Ending Cash and Investments					
50810	End Fund Bal-Reserved	3,514,380	2,463,080	0	0
50880	End Fund Balance-Unreserved	27,003,989	622,141	185,871	1,967,502

The accompanying notes are an integral part of this Statement.

BARS Code		104 Stadium/Conventi on Tax Fund	106 Growth Management Fund	107 Criminal Justice Fund	108 D.A.R.E. Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	1,991,673	530,288	559	746
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	450,489	313,731	129,163	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	17,112	363,694	0
340	Charges for Goods and Services	27	0	0	0
350	Fines & Penalties	0	0	0	3,866
360	Miscellaneous Revenues	19,104	131	2,030	1
Total Operating Revenues:		469,620	330,974	494,888	3,867
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	151,165	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	340,053	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	24,758	19,862	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		364,811	19,862	151,165	
Net Operating Increase (Decrease):		104,809	311,112	343,722	3,866
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	19,351	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:				19,351	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	137,000	0
591-593	Debt Service	0	67,679	0	0
594-595	Capital Expenditures	206,600	226,693	42,485	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		206,600	294,372	179,485	
Increase (Decrease) in Cash and Investments		-101,791	16,740	183,588	3,866
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	1,889,882	547,028	184,146	4,613

The accompanying notes are an integral part of this Statement.

BARS Code		109 Impact & Mitigation Fund	110 Drug Intervention Fund	111 Park Acquisition/Development Fund	207 Street Construction Bond Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	2,778,742	29,783	2,240,742	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	71,841	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	43,390	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	1,679	0	0
360	Miscellaneous Revenues	19,822	50,638	63,935	0
Total Operating Revenues:		19,822	95,707	135,776	
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	93,686	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	41,886	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:			93,686	41,886	
Net Operating Increase (Decrease):		19,822	2,021	93,890	
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	652,605
Total Nonoperating Revenues:					652,605
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	19,351	0	0
591-593	Debt Service	0	1,994	0	652,605
594-595	Capital Expenditures	6,030	5,000	96,448	0
597	Transfers-Out	1,000,000	0	0	0
Total Nonoperating Expenditures:		1,006,030	26,345	96,448	652,605
Increase (Decrease) in Cash and Investments		-986,208	-24,324	-2,558	0
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	1,792,534	5,460	2,238,184	0

The accompanying notes are an integral part of this Statement.

BARS Code		209 LID Guarantee Fund	213 1997 Ltd. G.O. Bond Fund	215 2011 Ltd G.O. Bond Fund	216 CLID #1 2013
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	605,050	282,702	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	478
360	Miscellaneous Revenues	219	63	0	262,125
Total Operating Revenues:		219	63		262,604
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:					
Net Operating Increase (Decrease):		219	63		262,604
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	345,505	0	0	0
397	Transfers-In	0	387,419	676,375	0
Total Nonoperating Revenues:		345,505	387,419	676,375	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	387,419	676,375	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			387,419	676,375	
Increase (Decrease) in Cash and Investments		345,724	63	0	262,604
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	950,773	282,765	0	262,604

The accompanying notes are an integral part of this Statement.

BARS Code		301 Street Construction Fund	303 Rec & Ped Capital Facilities	305 Misc Capital Projects Fund	401 Water Utility Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	1,831,952	159,867	6,723,656	10,586,557
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	7,426
330	Intergovernmental Revenues	2,863,387	0	0	0
340	Charges for Goods and Services	0	0	0	3,435,434
350	Fines & Penalties	0	0	0	5,250
360	Miscellaneous Revenues	640,285	40	1,718	211,757
Total Operating Revenues:		3,503,672	40	1,718	3,659,867
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	3,117,372
540	Transportation	157,094	0	0	0
550	Natural and Economic Environment	0	0	194,176	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		157,094		194,176	3,117,372
Net Operating Increase (Decrease):		3,346,578	40	-192,458	542,495
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	560	0	137,000	0
391-393	Debt Proceeds	0	0	0	3,701,247
397	Transfers-In	3,000,000	0	0	0
Total Nonoperating Revenues:		3,000,560		137,000	3,701,247
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	728,688	0
591-593	Debt Service	0	0	2,956	11,237,576
594-595	Capital Expenditures	8,162,574	0	0	936,807
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		8,162,574		731,644	12,174,383
Increase (Decrease) in Cash and Investments		-1,815,436	40	-787,102	-7,930,640
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	16,516	159,907	5,936,555	2,655,916

The accompanying notes are an integral part of this Statement.

BARS Code		402 Sewer Utility Fund	404 Storm Drainage Utility	502 Detention Services Fund (2013)	504 Fleet Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	1,051,300	0	0	0
30880	Beg Fund Bal-Unreserved	4,616,828	1,401,477	56,897	1,577,385
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	4,150	0	0	0
330	Intergovernmental Revenues	0	50,000	0	0
340	Charges for Goods and Services	3,446,142	696,086	3,446,902	369,540
350	Fines & Penalties	44,531	0	0	0
360	Miscellaneous Revenues	775,028	383	1	239,350
Total Operating Revenues:		4,269,850	746,469	3,446,902	608,890
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	4,422,689	0
530	Utilities	3,604,239	565,515	0	0
540	Transportation	0	0	0	341,359
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		3,604,239	565,515	4,422,689	341,359
Net Operating Increase (Decrease):		665,611	180,954	-975,787	267,531
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	28,688	0	700,000	19,190
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	259,979	0	460,000	0
Total Nonoperating Revenues:		288,667		1,160,000	19,190
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	870,684	0	0	0
594-595	Capital Expenditures	285,340	701	0	540,458
597	Transfers-Out	259,979	0	0	0
Total Nonoperating Expenditures:		1,416,003	701		540,458
Increase (Decrease) in Cash and Investments		-461,724	180,253	184,213	-253,737
Ending Cash and Investments					
50810	End Fund Bal-Reserved	1,051,300	0	0	0
50880	End Fund Balance-Unreserved	4,155,104	1,581,730	241,111	1,323,648

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds	630 Petty Cash Clearing	631 Payroll Clearing	635 Non-Rev/Non -Exp
308	Beginning Cash and Investments	304,900	7,900	238,829	28,322
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	0	0	0
380-390	Other Increases and Financing Sources	652,466	0	60	636,693
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	605,914	0	0	605,914
Increase (Decrease) in Cash and Investments		46,552	0	60	30,779
508	Ending Cash and Investments	351,452	7,900	238,889	59,101

BARS Code		637 Muni Ct Clearing
308	Beginning Cash and Investments	29,849
388 and 588	Prior Period Adjustments, net	0
310-360	Revenues	0
380-390	Other Increases and Financing Sources	15,713
510-570	Expenditures	0
580-590	Other Decreases and Financing Uses	0
Increase (Decrease) in Cash and Investments		15,713
508	Ending Cash and Investments	45,562

The accompanying notes are an integral part of this Statement.

City of Fife, Washington
Notes To Financial Statements
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fife reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under authority of Washington State law, Chapter 43.09 RCW.

The City of Fife was incorporated on February 11, 1957 and operates under the laws of the State of Washington applicable to a non-charter code city operating under the Council-Manager form of government as set forth in Chapter 35A.13 RCW. The City of Fife is a general purpose government and provides police, municipal court, planning and community development, parks and recreation, street maintenance, water, sewer and storm drainage services, among its major services. Fire and emergency medical services are provided by a separate fire district through a contract with the City of Tacoma. The City of Fife uses single-entry, cash basis of accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

The accounts of the City of Fife 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 of Fife's resources are allocated to and accounted for in individual funds depending upon their intended purpose. The following are the types of funds used by the City of Fife:

GOVERNMENTAL FUND TYPES

General Fund

This 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

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES

Agency Funds

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(s) budget appropriations as required by state law.

In accordance with state law the City of Fife also recognizes expenditures paid during 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 cash 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 of Fife adopts biennial appropriated budget for all funds other than agency funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Under the Fife Municipal Code (FMC) the biennial budget is comprised of two one-year financial plans. Biennial appropriations for these funds lapse biennial end, December 31, 2014.

Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

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

Fund	Current Appropriated 2013-2014	Actual Expenditures 2013	Available For Expend In 2014
General Fund 001 (FMC)	\$ 34,195,639	\$ 16,705,618	\$17,490,021
Contingency Fund 105 (FMC)	<u>0</u>	<u>0</u>	<u>0</u>
General Fund (GASB 54)	\$ 34,195,639	\$ 16,705,618	\$17,490,021
City Street Fund 101	1,375,728	666,316	709,412
Public Safety Fund 103	8,408,456	3,907,787	4,500,669
Stadium/Conv Tax Fd 104	2,735,291	571,411	2,163,880
Growth Management 106	1,386,358	314,234	1,072,124
Criminal Justice 107	736,099	330,650	405,449
D.A.R.E. 108	764	0	764
Impact & Mitigation 109	1,040,000	1,006,030	33,970
Drug Intervention 110	230,199	120,031	110,168
Park Acq & Dev 111	2,009,004	138,334	1,870,670
Street Const Bond 207	1,306,810	652,605	654,205
LID Guarantee 209	0	0	0
1997 Bond Fund 213	772,676	387,419	385,257
2011 Ltd G.O. 215	1,347,750	676,375	671,375
CLID #1 2013 Fd 216	2,133,866	0	2,133,866
Street Construction 301	13,210,775	8,319,668	4,891,107
Rec & Ped Cap Fac 303	0	0	0
Misc. Capital Projects 305	2,263,290	925,820	1,337,470
Water Utility 401 (FMC)	6,700,393	3,040,378	3,660,015
LID BANs 403 (FMC)	18,751	18,750	1
LID 2008-1 411 (FMC)	2,094,000	2,092,702	1,298
LID 2008-2 412 (FMC)	9,155,000	9,154,167	833
Water Cap Maint 432 (FMC)	550,000	349,854	200,146
Water Construction 436 (FMC)	<u>1,980,000</u>	<u>635,904</u>	<u>1,344,096</u>
Water Utility 401 (Reportable)	20,498,144	15,291,755	5,206,389
Sewer Utility 402 (FMC)	8,561,725	3,856,845	4,704,880
Parity Bond 405 (FMC)	2,620,404	871,597	1,748,807
Sewer Cap Maint 422 (FMC)	1,564,000	53,535	1,510,465
Sewer Construction 426 (FMC)	<u>587,454</u>	<u>238,265</u>	<u>349,189</u>
Sewer Utility 402 (Reportable)	13,333,583	5,020,242	8,313,341

Storm D Utility 404 (FMC)	1,679,679	566,216	1,113,463
Storm Construction 446 (FMC)	<u>585,000</u>	<u>0</u>	<u>585,000</u>
Storm Utility 404 (Reportable)	2,264,679	566,216	1,698,463
Detention Services 502	10,394,456	4,422,689	5,971,767
Fleet 504	<u>1,931,928</u>	<u>881,817</u>	<u>1,050,111</u>
Subtotal	\$ 121,575,495	\$ 60,905,015	\$60,670,480
Bud End Cash Balance	<u>17,708,076</u>		
Total Appropriations	<u>\$ 139,283,571</u>		

Less: General Fund inter-fund services revenue
reclassified as negative expense for entity-wide
financial statement presentation \$ 1,612,260
Reportable Expenditures – Statement C-4 \$59,292,755

The City Manager is authorized to transfer budgeted amounts between departments and line items 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 of Fife's legislative body.

d. Cash

It is the City of Fife'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 earned on short-term investments is prorated to the various funds based upon their cash balances, while the interest earned on long-term investments is allocated to the General Fund.

e. Deposits

The City of Fife deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

f. Investments

The City of Fife invests only in those types of investment instruments authorized by State law for local governments and in accordance with its investment policies. The City invests in federal agency securities through brokerage agreements with Pro Equities and Vining Sparks and a safekeeping trust account at U.S. Bank. Temporary surplus cash balances are invested through the Local Government Investment Pool (LGIP) operated on behalf of local governments by the Washington State Treasurer's Office, with the remaining monies invested overnight through a NOW account with Key Bank. See Note 2 - Investments.

g. Derivatives and Similar Transactions

The City does not investment in derivatives or similar transactions.

h. Capital Assets

Capital assets are assets with an initial individual purchase cost of \$10,000 or self-constructed costs of \$25,000 and an estimated useful life in excess of three years. The capital assets of the City are recorded as expenditures when purchased.

i. Compensated Absences

Employees may accumulate vacation leave up to a maximum of 30 days, except for exempt employees who may accumulate above that maximum but must reduce it to 30 days by the next January 1. Upon separation from City service, employees will be paid up to a maximum of 30 days, except exempt employees who may be paid for up to 60 days.

Sick leave may be accumulated up to 1600 hours. Upon termination from City service, sick leave will be paid at the following schedule:

- 1st 50 days – 25%
- 2nd 50 days – 50%
- 3rd 50 days – 75%
- 4th 50 days – 100%

j. Long-Term Debt

The City's long-term debt consists of three Limited Tax General Obligation Bond (LTGO) issues, one real estate contract, two combined Water/Sewer Revenue Bond issues each with a Utility Local Improvement District (ULID) special assessment component, two local improvement (LID) bond anticipation notes (BANs) that matured in 2013 and were replaced with two combined local improvement district (CLID) bond issues to the extent that property owners did not repay the assessments in full. The City has no voted or excess levy debt. (See Note 5 – Debt Service Requirements and Schedule 09 - Schedule of Liabilities)

k. Other Financing Sources or Uses

The City's "Other Financing Sources or Uses" consist of inter-fund transfers of \$5.9 million and inter-fund loan activity of \$0.9 million for operating support, debt service and capital outlay.

l. Risk Management

The City of Fife is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Inter-local 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 sub-limits 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 inter-local, 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.

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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 sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

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Historical trends and other information are presented in the WCIA annual financial report. A copy of this report may be obtained by writing to:

Washington Cities Insurance Authority
P.O. Box 88030
Tukwila, WA 98138

m. Reserved Fund Balance

The City of Fife financial policies provide for a General Fund balance reserve of 17% (two months) of annual expenditures excluding debt service transfers for cash flow purposes. It is measured at year end.

The Parity Revenue Bond Fund 405 has an advance from the Sewer Utility Fund 402 in the amount of \$1,051,300 and this amount is reported as reserved. Of this amount, \$534,202 is reserved for the Water-Sewer Revenue Bonds reserve requirement. This fund is an account of the Sewer Utility Fund for reporting purposes under GASB 54.

NOTE 2 – INVESTMENTS

The City of Fife's investments are insured, registered or held by the City of Fife or its agent in the City's name.

Investments are presented at historical cost.

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

Local Government Investment Pool (LGIP) - Short-Term	\$ 2,638,866
U.S. Bank Safekeeping Account – Federal Agency Bonds	21,498,397
Key Bank Now Account – Overnight Sweep Account	<u>8,360,415</u>
Total	\$32,497,678

NOTE 3 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

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

The City's regular levy for the year 2013 was \$1.60 per \$1,000 on an assessed valuation of \$1,776,946,972 for a total regular levy of \$2,843,115. The City does not impose any excess levies for any purpose.

NOTE 4 – INTERFUND LOANS AND ADVANCES

<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>
Fund 107	Fund 305	\$ 137,000	\$ 0	\$ 137,000	\$ 0
Fund 110	Fund 107	\$ 406,000	\$ 0	\$ 19,351	\$ 386,649
Fund 305	Fund 402	\$ 601,910	\$ 0	\$ 28,688	\$ 573,222
Fund 502	Fund 305	\$ 0	\$ 700,000	\$ 0	\$ 700,000
Total		\$1,144,910	\$ 700,000	\$ 185,039	\$1,659,871

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Fife and summarizes the City of Fife's debt transactions for the year ended December 31, 2013. The future debt service requirements for general obligation debt (GO bonds and real estate contract), revenue debt (bonds), and assessment debt (bonds), including principle and interest, are as follows:

<u>Year</u>	<u>General Obligation Debt</u>	<u>Revenue Debt</u>	<u>Special Assessment Debt</u>	<u>Total Debt</u>
2014	1,778,515	259,163	773,122	2,810,800
2015	1,770,300	259,506	763,854	2,793,660
2016	1,738,530	256,206	743,554	2,738,290
2017	1,711,683	257,856	713,554	2,683,093
2018	1,328,388	258,531	302,379	1,889,298
2019-2023	3,706,550	1,281,431	2,144,196	7,132,177
2024-2028	1,043,575	1,239,541	930,453	3,213,569
2029-2030	-0-	244,500	3,674,080	3,918,580
TOTALS	\$13,077,541	\$4,056,734	\$10,045,192	\$27,179,467

NOTE 6 – PENSION PLANS

Substantially all City full-time and qualifying part-time employees participate in PERS I, PERSII, PERS III, PSERS, and LEOFF II 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 the employee and employer are based upon gross wages covered by plan benefits. Contributions for 2013 were:

Pension Plan Name	No. of Employees	Contribution Liability	Amount Remitted
PERS Plan 1	2	\$ 12,319	\$ 12,319
PERS Plan 2	78	392,376	392,376
PERS Plan3	5	22,402	22,402
PERS JBM	1	9,507	9,507
PSERS	11	77,780	77,780
LEOFF Plan 2	<u>31</u>	<u>154,608</u>	<u>154,608</u>
Total	128	\$ 668,992	\$ 668,922

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

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

NOTE 7 – OTHER DISCLOSURES

a. 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 of Fife.

b. Other Post-Employment Benefits (OPEB)

The City has a commitment to pay for postemployment benefits (other than pension) for employees that belong to LEOFF1, a group of police officers hired on or before September 30, 1977. These benefits include minimum basic medical services defined in RCW 41.26.030(22) and additional medical services as directed by the LEOFF1 local disability board. Six retirees received benefits during the year and \$105,403 was paid out for those benefits.

c. Subsequent Events

The City called \$70K of the consolidated local improvement district (CLID) #1 2013 Series B bonds on January 1, 2014, at par, due to property owner payments of local improvement district (LID) assessments above the amount needed for interest expense.

The City called \$1.05 million of the Water/Sewer Refunding 2012 Bonds on April 1, 2014, at par, due to property owner prepayments of utility local improvement district (ULID) assessments over the past two years.

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							
	251.11	2005 Ltd GO	3/1/2017	1,720,000	0	315,000	1,405,000
	251.11	2007 Ltd GO	12/1/2021	4,850,000	0	460,000	4,390,000
	251.11	2011 Ltd GO	12/1/2026	5,560,000	0	500,000	5,060,000
	259.11	Compensated Absences	12/31/2043	843,483	23,603	0	867,086
	263.61	Swenson	6/1/2015	150,070	0	59,045	91,025
Total General Obligations:				13,123,553	23,603	1,334,045	11,813,111
Revenue Obligations							
	252.11	2004 Water/Sewer	4/1/2014	245,000	0	120,000	125,000
	252.11	2014 W/S Refunding	4/1/2029	3,030,000	0	35,000	2,995,000
	259.12	Compensated Absences	12/31/1943	52,761	4,743	0	57,504
Total Revenue Obligations:				3,327,761	4,743	155,000	3,177,504
Assessment Obligations							
	253.11	ULID 98-2	4/1/2014	970,000	0	485,000	485,000
	253.11	CLID 2013 Taxable	1/1/2023	0	714,253	0	714,253
	253.11	ULID 98-2 Refunding	4/1/2024	2,150,000	0	45,000	2,105,000
	253.11	CLID 2013 NonTaxable	1/1/2030	0	3,332,499	0	3,332,499
	263.63	LID BAN 08-2	2/1/2013	9,000,000	0	9,000,000	0
	263.63	LID BAN 08-1 Tx Ex C	3/1/2013	2,041,584	0	2,041,584	0
Total Assessment Obligations:				14,161,584	4,046,752	11,571,584	6,636,752
Total Liabilities:				30,612,898	4,075,098	13,060,629	21,627,367

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 Award Number	Expenditures		Footnote Ref
				From Pass-Through Awards	From Direct Awards	
Office Of Community Planning And Development, Department Of Housing And Urban Development/Pierce County	Community Development Block Grants/Entitlement Grants	14.218	CDBG FY 2011	136,262		136,262 2
Bureau Of Justice Assistance, Department Of Justice	Bulletproof Vest Partnership Program	16.607	482027501		5,026	5,026 2
Office Of Community Oriented Policing Services, Department Of Justice/	Public Safety Partnership and Community Policing Grants	16.710	2009RKWX0893		8,818	8,818 2, 9
Bureau Of Justice Assistance, Department Of Justice/Pierce County	Edward Byrne Memorial Justice Assistance Grant Program	16.738	Pierce County Sherriff MOU	29,598		29,598 2
Criminal Division, Department Of Justice	Equitable Sharing Program	16.922	DEA MOU		15,095	15,095 2
Federal Highway Administration (fhwa), Department Of Transportation/Washington State Dept of Transportation	Highway Planning and Construction	20.205	LA-6723	547,789		547,789 2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation/WA Assoc Sheriffs & Police Chiefs	State and Community Highway Safety	20.600	WASPC MOU	1,400		1,400 2
Department Of Homeland Security/Port of Tacoma	Port Security Grant Program	97.056	FPDIJ#11-01	41,172		41,172 2
Total Federal Awards Expended:				756,221	28,939	785,160

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

CITY OF FIFE, WASHINGTON

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013**

Note 1 is required for all entities. Disclose other notes only if applicable to your circumstances.

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the (city/county/district's) financial statements. The City of Fife uses the modified cash basis of accounting as prescribed by the Washington State Auditor's Office.

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.

NOTE 9 - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009

Expenditures for this program were funded by ARRA.

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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